



May 14, 2007

Honorable Frederick E. Turnage, Mayor
Members of the City Council
City of Rocky Mount
Rocky Mount, North Carolina

Dear Ladies and Gentlemen:

I am pleased to present and recommend this FY 2007-2008 Operating and Capital Budget for the City of Rocky Mount. In accordance with North Carolina General Statutes, this recommended budget is balanced with respect to revenues and expenditures. Overall the FY 2007-2008 Recommended Budget totals \$196,757,455. This represents a 4.9% decrease from the FY 2006-2007 Revised Budget of \$206,887,496. Most of this decrease is attributable to decreases in capital projects in the utility funds.

General Fund	\$49,765,270
General Capital Fund	\$1,925,000
Powell Bill Fund	\$2,131,000
E-911 Fund	\$390,000
Debt Service Fund	\$2,631,365
Electric Fund	\$83,321,265
Gas Fund	\$29,924,968
Water Fund	\$10,436,331
Sewer Fund	\$12,791,236
Stormwater Fund	\$3,441,000
Total	\$196,757,455

Where are we today?

We are pleased to report that our effective management of fiscal resources has enabled us to function within the boundaries established during the development of the FY 2006-2007 Budget. Numerous issues, including City Council initiatives, the operation of new facilities, and an uncertain economic outlook, necessitated a small property tax increase in order to balance that budget and maintain a high quality of service. During the development process, additional

community needs were recognized and included as initiatives of the City Council. Upon adoption, City staff knew it would be their responsibility to make sure that the policy objectives incorporated into the budget were met, while ensuring improvement to the City's fiscal health.

Throughout the year, I asked departments to closely monitor their expenditures and carefully manage the capital projects as they progressed. At the same time, we tracked revenues to determine if adjustment to operations were necessary due to potential shortfalls. Fortunately, revenues have performed overall at the anticipated levels. At the same time, reductions in expenses due to ongoing cost saving measures have enabled us to project a strong financial conclusion to FY 2006-2007.

In response to this year's occurrences, our attitude for the future is cautious optimism. While we anticipate continued growth in revenues, we are aware of the potential for economic downturn due to a variety of factors, including the cost of energy and raw materials and fluctuation in the housing market due to interest rates and mortgage availability. These difficulties not only place pressure on the overall economy, but they also directly impact our operational costs in significant ways that can outpace our anticipated revenue growth. At the same time, we maintain our commitment to fully fund our pay-for-performance program for employee wages, and we recognize the need to evaluate employee pay to determine if additional improvements are necessary. These factors, along with the understanding of our obligations to be responsible and conservative with the resources provided by the residents of Rocky Mount, require us to prepare a budget that prevents unnecessary growth while ensuring the necessary provision of essential services and responding to needs and opportunities identified by our community and its leaders.

Challenges Next Year

For the past several years, balancing the budget has been challenging as a result of slow growth in revenues and increasing costs. The FY 2007-2008 budget experienced the same challenges as prior years and each year the challenge increases as available revenues fail to grow at the same pace as rising costs. We anticipate modest growth in revenues for next year, but we are also faced with continuing cost increases for fuel, energy, contractual services and fringe benefits for our employees, and operating costs for new facilities.

While improving economic activity is evident, the City continues to deal with variable local manufacturing operations. Additional development is essential to maintaining the financial standing of our utility operations, and we must be careful to recognize and prepare for potential industry reductions while we respond to opportunities for growth created by new business. Growth experienced this year in some utilities leads us to an encouraging outlook for the new year. On the other hand, stagnation in usage, compounded with significant increases in operating costs due to rampant inflation in raw materials, requires us to recommend a rate increase for water services.

The State of North Carolina continues to recover economically, improving our estimates for State-collected revenues. Among these are sales tax, property tax, interest income, and permit fees. Performance during this current fiscal year, and projections for the future, are encouraging. We will continue to monitor legislative developments closely, and will work in concert with other North Carolina municipalities through the League of Municipalities to ensure the stability of our future revenues from the State.

This current fiscal year was the first full year of operation for the Imperial Centre for the Arts, a major initiative in Rocky Mount that represents a substantial investment of time and resources. During the year, we have learned more with regard to necessities for operations and expectations for attendance in revenue. Actual revenues are below the levels budgeted for in FY 2006-2007. This required us to lower estimates for the future and request corresponding reductions in expenses. During the coming year, we will continue to evaluate operations of this important facility and determine additional measures that will allow us to effectively utilize the Centre in a financially prudent manner.

Two additional facilities that became fully operational this year were the Senior Center and the Sports Complex. Community response to both initiatives has been extremely strong and encouraging. Revenues and expenses in these areas have been carefully evaluated, and we anticipate continued growth.

Community Priorities

During development of this budget, we evaluated the state of the community and determined the issues and services of most importance for the coming year. First, we continue to take aggressive action to improve and maintain public safety. The Police Department implemented a reorganization in March designed to increase patrol presence and curb growth in crime experienced this winter. Additional measures will be implemented next year to grow patrol forces from within existing staff, but it is also necessary to increase the force overall. This budget proposes the addition of six patrol officers, who will start as cadets in academy on January 1, 2008. Four of these positions were unfrozen, resulting in a net increase of 2 authorized positions for the department.

With respect to the Fire Department, we experienced difficulties in maintaining staffing levels this year. Over the past several months, successful recruiting efforts have enabled us to secure an applicant pool that will enable filling of numerous current and anticipated vacancies. We will start another academy for Fire Cadets around July 1, 2007, and while authorized staffing remains at current levels, funds have been budgeted to provide some overlap in positions due to anticipated retirements in the coming year.

The FY 2006-2007 budget included funding for specific initiatives brought forth by the City Council. These included researching and addressing affordable housing, funding commercial demolition, providing diversity training, funding repairs to Booker T. Washington High School, and cleanup of Unity and Lancaster Cemeteries. Staff has worked on these and other initiatives throughout the year, and we anticipate completion before June 30th.

During a recent retreat, we asked the Council to indicate their initiatives for the coming year. The items stated and agreed to at that time include redevelopment of the Happy Hill neighborhood and targeted demolitions of the old Planters Oil Mill facility and dilapidated residential structures in south Rocky Mount. Funding is also provided for the hiring of a Neighborhood Coordinator to oversee implementation of recommendations made in the recent housing marketing study and other important community affairs.

Another priority of the City in the coming year is preparing for proposed annexation. As part of examining the feasibility of these actions, staff recognized service expansions that would have to occur at or before the effective date of the first phase annexations, which is July 1, 2008. Funds are provided in this year's budget for these services, including the hiring of new employees in environmental services and community code, effective June 1, 2008. To offset these costs, we recommend an additional \$100,000 appropriation from fund balance. These expenditures will be paid for in future years from revenues generated in the annexed areas.

Fiscal Challenges

Despite increases in costs for materials and labor, conservative management of expenditures and strong revenue collections enable us to improve community services without an increase in property taxes for the coming year. A current challenge in the budget process is determining appropriate funding levels in anticipation of potential revenues. To improve our practices and provide better information to staff, the Council, and residents, we will be implementing a five-year revenue and expenditure forecast this coming fall. With this information, we will have better information on the financial capabilities of the City and the future costs of current and growing services.

This budget recommends no rate increase for the electric, gas, sewer, or stormwater utilities. However, we are proposing a 2.5% increase in water rates. The increase is necessitated by dramatic increases in chemical costs for water treatment, which more than doubled in the current year. This increase is attributable to changing quality compliance regulations, the necessity of using a greater amount of treatment chemicals, and significant volatility in purchase prices. This increased cost is not completely covered by the rate increase, and it so necessitates an appropriation from fund balance. We will review our practices in the coming months to determine how we can reduce this expenditure to avoid a future corresponding rate increase.

Our solid waste collection and disposal program continues to operate successfully, though increased costs are limiting our ability to recover expenditures with current fees. This year, we only recommend increases to the transfer station disposal fee and to the collection of commercial waste. Fees for the transfer station are based on annual inflation and increases in disposal fees enacted by our landfill provider. The 5.3% increase in the commercial disposal fee provides for better recovery of costs, though they are still not 100% at the new rate. Overall, we anticipate recovering approximately 55% of residential disposal costs and 74% of commercial disposal costs in FY 2007-2008.

Even in the midst of promising collections, we must be mindful of the potential for downturn. Therefore, we will keep anticipated revenue growth at a conservative level and carefully monitor revenues and expenditures to reduce potential for shortfall.

FY 2007-2008 Recommended Budget

While balancing the FY 2007-2008 Recommended Budget was challenging, improved conditions mentioned earlier made the process more palatable. In order to balance the budget, I was required to make a \$1 million cut in operational expenditures, to continue to hold and expand vacant positions, and to delay or reduce in scale some capital projects, particularly those financed by general tax revenues. The improvement of City Lake is the only project listed in the Capital Improvement Program that has been omitted from the recommended budget due to a lack of resources.

Overall Revenues

For the FY 2007-2008 Recommended Budget, we expect the State shared revenues to continue to show little growth. Powell Bill revenue is expected to grow by 5%, utility franchise fees are expected to grow by 3%, beer and wine tax revenue is expected to grow by 2.5%, and the telecommunications tax revenue is expected to increase by 6%. No growth is expected for cable franchise fees. Sales tax revenue continues to do well and next year a 3.5% increase is expected.

Each year the General Fund subsidizes the solid waste program. No increase in fees for residential collection is recommended. I have included an increase in the commercial solid waste fee from \$4.75 to \$5.00 per cubic yard. This increase generates revenue to recover 74% of the commercial program cost.

Each year as part of the budget process, we evaluate the rates at the transfer station. We expect our service provider to increase the rates for transportation and disposal by 2.6% and we recommend passing on the increase to our large customers. We believe we have reached the upper end of our potential market and we do not anticipate growth from increased volume next year. We have recommended a rate increase of 2.5% in addition to the 2.6% expected increase from our service provider for a total of 5.1%. The increase is to cover increases in costs to operate the facility. The recommended rate structure remains competitive and will continue to provide a tier pricing structure that provides declining rates for increasing volumes.

The recommended budget does not include an increase in the ad valorem tax rate. At the current rate, we anticipate that normal growth is sufficient to cover the additional operational costs. The last property revaluation occurred six years ago in 2001 and the next revaluation will occur in 2009. The City's tax rate continues to be one of the lowest in the state.

In Public Utilities, demand for both gas and electrical energy, as always, moves with the weather. Wholesale gas prices decreased, which allowed us to lower the price to the customer and experience growth in sales due to increased commercial usage. The proposed budget does not contain either a gas or electric rate increase. As in past years, in the event our electric

supplier adjusts its rates to the City, I would recommend continuing our practice of increasing or decreasing rates accordingly. The City purchases gas on the market monthly. We will adjust our purchase gas adjustment, which is the cost-based portion of our rate, up or down in accordance with our cost of natural gas.

As you may recall, we increased sewer rates last year to fund several capital projects. While we anticipate significant future capital costs due to expansions necessitated by development and annexation, the majority of those are not incurred in the coming year and do not require a corresponding rate increase in FY 2007-2008. However, water rates must be modestly increased to cover some of the substantial increases experienced in chemical costs. Overall, expenses in the water fund are expected to be 11.1% below FY 2006-2007 and expenses in the sewer fund are expected to be 19.4% below FY 2006-2007. This is the result of significant capital expenditures in the current year, which are paid for primarily with debt proceeds.

The Stormwater Utility is operating well and no rate increase is requested. The fund is currently generating the funds necessary to cover operating cost and fund capital necessary for Stormwater system improvements.

Personnel

Annually, we anticipate increases in employee benefit costs, most notably in health insurance. This year, however, I am pleased to inform you that no increase will be necessary in health or life insurance premiums. Our employees have taken to heart our efforts to encourage “smart” utilization of their medical coverage, and as a result, our claims are decreasing. Based on the best information available, our current plan provider is the best value. A team of employees is continuing to look into health improvement options and hope to report their results in the near future. We will also continue to evaluate health insurance benefits offered to our employees and retirees in order to continue to provide a plan that is affordable to our employees and the City.

We are holding 28 vacant positions: 18 in the General Fund, two in Public Utilities, five in Water Resources, and three in Stormwater. Many of these positions have been held vacant since the spring of 2001 when the State first withheld funds from the city. I have released four Police Cadet positions as part of the six patrol positions added to this year’s budget. In addition, we are releasing an Electric Line Worker for Public Utilities to help with their growing workload. All but two of the new position holds are temporary, and we anticipate filling them during the course of the year in a fiscally responsible manner.

This recommended budget provides for the addition of 12 new positions. Among the new positions are two Police Cadets and a Neighborhood Coordinator for Human Relations. The budget also requests moving the current part-time Historic Preservation Planner position to full-time, starting January 1, 2008. In addition, one Lab Technician has been added to Water Resources in response to increased compliance requirements for water treatment. Seven additional positions are in response to service needs associated with annexation: five sanitation workers, one community code inspector, and one administrative clerk. These positions will take effect June 1, 2008.

I have included funds for pay for performance increases for employees. I continue to believe that this program demonstrates that our employees are our most valuable assets. This program is essential to retaining employees and encouraging their improved performance.

Finally, I am recommending the funding of a comprehensive compensation study. It has been several years since our last study of employee pay in comparison to other jurisdictions, and I believe that now is the appropriate time to evaluate our position in this area. It is essential that we maintain competitive salaries to attract and retain quality employees in order to maintain and improve services.

Capital

During the process of developing this year's Capital Improvement Program, we identified priorities for capital projects and kept our focus on funding those specific initiatives. This allowed us to proceed through the Operating Budget process without making significant reductions in funding already presented to the Council in March. While some reductions are necessary, the Capital Budget for FY 2007-2008 is very similar to what has already been presented.

A priority in capital expenditures is to provide funding to adequately complete and equip projects that are already underway or committed to. Included in this priority are projects in all of the utility funds that accomplish needed multi-year upgrades and repairs, a continued commitment to timely Police vehicle replacement, and funds to continue downtown revitalization, including the Douglas Block.

There are also some projects that require immediate action to prevent a major disruption in City services. These include rebuilding the cooling tower at the Train Station and Electric Substation #2.

General Fund/General Capital Fund

The following are some programs and services funded through this budget. For the most part, budget requests supporting existing programs and services were funded. As is always the case, there are more needs than current resources can support, especially in the General Fund. In some instances, small increases were included when necessary and needed. We carefully reviewed capital requests and limited funding of these items.

As you review the budget, you will note some increases in operating costs. The cost increases the City must cope with are similar to items that every business and household experiences, but frequently the City's costs are a larger portion of its total budget, reflecting the nature of local government operations. These areas include communications, utilities, gasoline/diesel fuel, and chemicals.

Funds are included for the replacement of ten patrol cars in the Police Department, as the well as the purchase of additional cars to accommodate added officers. This expenditure is part of a

capital project included in the CIP. This is the fifth year of a process of patrol vehicle replacement, made necessary because of the continuous high mileage accumulated on patrol vehicles. The Police Department must have a dependable fleet of patrol vehicles to maintain a consistent presence in neighborhoods and to respond to emergencies.

This year, we are providing a small amount of funding to investigate the feasibility of converting a City-owned building currently used by the Council of Governments into a public safety training facility. The COG is relocating to Wilson this fall, providing us an opportunity to take existing property and utilize it for an important purpose. Currently, police and fire are using makeshift facilities to provide necessary training, especially to conduct their academies. A new facility will also allow us to permanently replace the John Sykes Training Facility, which was made virtually unusable due to the 1999 flood and resulting mitigation of the location.

A major item in the Public Works budget is the replacement of the work floor at the Solid Waste Transfer Station. The concrete floor was designed to gradually wear away, but the original floor did not last as long as projected, and must be replaced this year with a new floor, which is engineered to have a longer life than the original. This item was budgeted for FY 2006-2007; however, it was delayed due to scheduling conflicts. The City will obtain installment financing to fund this project.

Several projects proposed in the CIP are scheduled for funding in the coming year, but are not included in this proposed operating budget. These projects are multi-year in scope and depend heavily on funding sources outside the City. Therefore, they will be funded, but submitted to the Council as project ordinances for adoption at the same time as the budget. They include redevelopment of the Douglas Block, Booker T. Washington High School, and the Happy Hill neighborhood, as well as the construction of Battleboro Park and the Rocky Mount Veterans' Memorial.

Powell Bill Fund

This Recommended Budget provides for Powell Bill projects totaling \$2,311,000. In the upcoming year, we expect to receive \$1,802,000 in Powell Bill revenue, a 0.5% increase in this revenue for streets and roads projects. We have budgeted \$750,000 for street resurfacing. The budget also provides continuing funding for new construction and repair of sidewalks.

We will continue to make contributions from Powell Bill to both the General Fund and the Stormwater Fund to cover Powell Bill eligible activities such as crack sealing and asphalt patching in the General Fund and ditch maintenance and street sweeping in the Stormwater Fund. These contributions have been reduced, however, to make more funding available for capital projects.

Electric Fund

Funds available in the Electric Fund are directly related to the relationship between sales and purchases. The largest revenue and expenditure in the city budget is for the sale and purchase of power. Utility sales and the associated purchases are expected to reduce less than 1% over

the coming year. The Recommended Budget does not include an electric rate increase.

The Electric Budget includes the normal electric operating expenses such as supplies, equipment maintenance and repair and fuel. The cost of these items is increasing. To balance this budget without a rate increase, reductions were made in both capital and ongoing operations costs.

The Capital Budget has been reduced by \$135,000 from what was recommended in the Capital Improvement Program. Among other projects, this recommended budget includes funds for distribution system improvements (\$150,000), utility GIS and dispatching system improvements (\$65,000), transmission pole replacement (\$125,000), and funds for continuation of the automated meter-reading project (\$150,000), an effort that will be undertaken by all the utility funds.

Gas Fund

The Recommended Budget does not include a gas rate increase. In the event the City's gas supplier adjusts its rates, I will recommend we continue the City's practice of adjusting rates accordingly.

Reductions this year in wholesale prices has helped reduce expenditures while growing sales to commercial customers. As a result, we reduced our dependence on Gas Fund working capital reserves to just under \$200,000, allowing us to continue necessary projects without increasing rates.

The capital projects in the Gas Fund include the cost of new lines (\$300,000), providing new service connections (\$150,000), continuing the cast iron main replacement program (\$250,000), and funds for the automated meter reading project (\$100,000).

Water Fund

While the Water Fund will come close to its projected revenue for FY 2006-07, treatment costs have escalated significantly. Cost reductions in other areas and use of fund balance will cover these costs in the current year, but it is necessary to grow revenue in order to meet necessary expenses in FY 2007-2008. Therefore, I recommend a 2.5% rate increase for water services. During the coming year, we will work on finding ways to reduce the increases in chemical costs, which were more than double the amount budgeted for FY 2006-2007.

Capital projects in the water fund have been limited to those necessary as we begin to repay the debt service associated with the financed improvements. These include hydrilla management (\$50,000), treatment facility improvements (\$130,000), additional system improvements, repairs, and line extensions (\$262,000), and automated meter reading (\$190,000).

Sewer Fund

While this operation continues to face increasing costs of doing business, coupled with the increased debt burden resulting from system improvements and repairs, revenues are strong enough not to necessitate a rate increase. This is primarily due to the 5% rate increase adopted last year, which has fulfilled its intent of providing a better financial foundation for this operation.

The Sewer Fund budget includes the normal expenses for operating and maintaining the sewer systems and plant. This year funds the first round of several significant extension projects associated with responding to development and annexation. These particular projects will be funded with debt, which will place additional pressure on the fund in the future, though revenue may offset to some degree growth due to an increase in customers. Capital projects will include extending mains (\$1,573,000), continuing the rehabilitation of existing mains and manholes (\$225,000), and expansion and improvements to pump stations (\$103,000).

Final Thoughts

While the budgets for the last few years have been difficult, this year has provided some degree of welcomed relief. We continue to see some improvements in our major revenues, though they are matched by increased capital and operational funding demands. However, we recognize the necessity to change and expand service in some areas, especially with respect to public safety and annexation. We should also continue to recognize and respond efficiently to community needs in other areas, such as economic redevelopment and affordable housing. The FY 2007-2008 Recommended Budget is designed to accomplish these objectives.

Conclusion

I am pleased to present this budget, which I believe to be in keeping with City Council's immediate goals and objectives. I anticipate in this coming year we will continue to see slow but steady improvement in the City's business activity and residential development. While we do not have the flexibility we once enjoyed, I believe this budget positions the City where it needs to be for the coming year, and I recommend it for your approval.

Thank you for your consideration of this budget. I look forward to reviewing and discussing it with you.

Sincerely,



Stephen W. Raper
City Manager

Proposed-to-Adopted Comparison

Changes to City Manager Proposed FY 2007-2008 Annual Operating Budget

	<u>Amount</u>	<u>Funding Source</u>
General Fund		
City Manager Proposed	49,765,270	
Community Reinvestment	500,000	Interfund Transfers
Six Police Cadets (Effective 1/1/2008)	100,000	Sales Tax
Promotion of Five Police Corporals to Sergeant	27,000	Savings
Correct Fleet Maintenance Salaries & Benefits	(106,866)	
Increased Unleaded Fuel Cost	19,866	Savings
Local Match for CDBG Grants	60,000	
City Council Adopted	<u>50,365,270</u>	
Powell Bill Fund		
City Manager Proposed	2,131,000	
No Changes	-	
City Council Adopted	<u>2,131,000</u>	
Emergency Telephone Phone		
City Manager Proposed	390,000	
No Changes	-	
City Council Adopted	<u>390,000</u>	
Debt Service Fund		
City Manager Proposed	2,631,285	
No Changes	-	
City Council Adopted	<u>2,631,285</u>	
General Capital Projects Fund		
City Manager Proposed	1,925,000	
Correction (Duplicate Project)	(100,000)	
City Council Adopted	<u>1,825,000</u>	
Electric Fund		
City Manager Proposed	83,321,365	
Correct Economic Development	(89,799)	
Electric Lineman Apprentice	35,000	Savings
Working Capital	54,799	Savings
City Council Adopted	<u>83,321,365</u>	
Gas Fund		
City Manager Proposed	29,924,968	
Community Reinvestment Transfer	125,000	Fund Balance
City Council Adopted	<u>30,049,968</u>	

Proposed-to-Adopted Comparison

Changes to City Manager Proposed FY 2007-2008 Annual Operating Budget

	<u>Amount</u>	<u>Funding Source</u>
Water Fund		
City Manager Proposed	10,436,331	
Community Reinvestment Transfer	125,000	Savings, Fund Balance
Correct Wages & Benefits	(108,600)	
Correct Lab Services	3,400	Savings
Correct Administrative Charges	(2,400)	
City Council Adopted	<u>10,453,731</u>	
Sewer Fund		
City Manager Proposed	12,791,236	
Correct Administrative Charges	2,400	Miscellaneous Income
City Council Adopted	<u>12,793,636</u>	
Stormwater Management Fund		
City Manager Proposed	3,441,000	
No Changes	-	
City Council Adopted	<u>3,441,000</u>	
Total Adopted Budget	<u><u>197,402,255</u></u>	

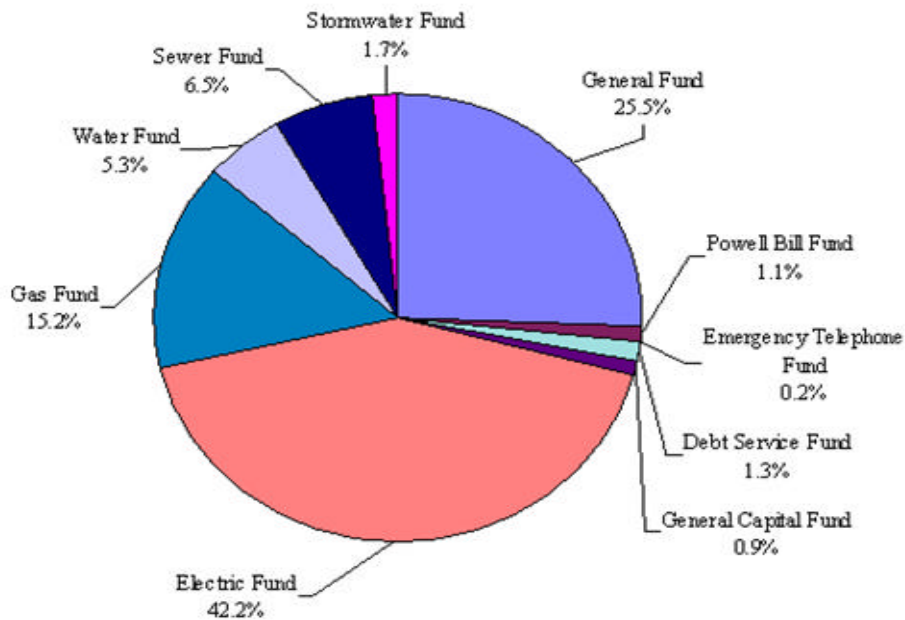
Budget In Brief

Fund Summary

The City of Rocky Mount's Total Operating Budget for FY 2007-08 is \$197,402,255. This represents a 4.7% decrease over the Revised FY 2006-07 Budget.

	2005-06 Actual	2006-07 Budget	2006-07 Projected	2007-08 Adopted
General Fund	\$ 42,224,913	\$ 48,736,951	\$ 44,921,282	\$ 50,365,270
Powell Bill Fund	\$ 2,044,411	\$ 4,062,320	\$ 3,462,320	\$ 2,131,000
Emergency Telephone Fund	\$ 203,789	\$ 380,000	\$ 360,000	\$ 390,000
Debt Service Fund	\$ 3,262,728	\$ 3,459,768	\$ 3,459,768	\$ 2,631,285
General Capital Fund	\$ 1,456,268	\$ 2,323,450	\$ 2,223,450	\$ 1,825,000
Electric Fund	\$ 77,313,711	\$ 88,111,828	\$ 83,812,934	\$ 83,321,365
Gas Fund	\$ 32,997,847	\$ 28,061,874	\$ 30,068,525	\$ 30,049,968
Water Fund	\$ 10,732,725	\$ 11,944,838	\$ 11,818,385	\$ 10,453,731
Sewer Fund	\$ 12,190,525	\$ 15,724,273	\$ 15,256,459	\$ 12,793,636
Stormwater Fund	\$ 2,939,097	\$ 4,345,650	\$ 3,969,326	\$ 3,441,000
Total	\$ 185,366,014	\$ 207,150,952	\$ 199,352,449	\$ 197,402,255

Expenditures by Fund

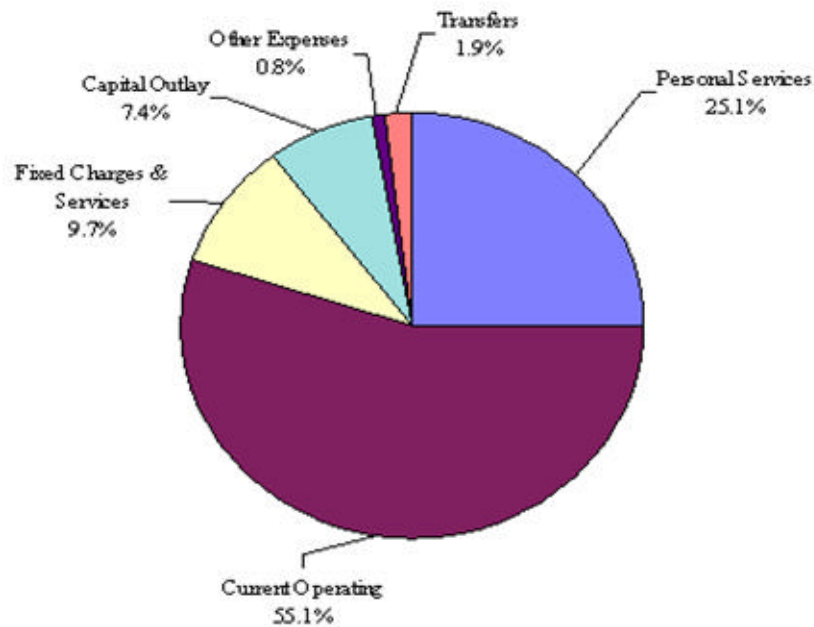


Budget In Brief

Comparison of Expenditures

	Personal Services	Current Operating	Fixed Charges & Services	Capital Outlay	Other Expenses	Transfers	Total
General Fund	\$ 37,614,454	\$ 10,898,836	\$ 9,152,990	\$ 3,188,050	\$ (10,740,280)	\$ 251,220	\$ 50,365,270
Powell Bill Fund	\$ -	\$ 250,000	\$ -	\$ 1,281,000	\$ 300,000	\$ 300,000	\$ 2,131,000
Emergency Telephone Fund	\$ -	\$ 30,000	\$ 280,000	\$ 80,000	\$ -	\$ -	\$ 390,000
Debt Service Fund	\$ -	\$ -	\$ 2,631,285	\$ -	\$ -	\$ -	\$ 2,631,285
General Capital Fund	\$ -	\$ 100,000	\$ 772,000	\$ 760,000	\$ -	\$ 193,000	\$ 1,825,000
Electric Fund	\$ 4,147,076	\$ 68,065,640	\$ 1,664,769	\$ 3,643,370	\$ 4,300,510	\$ 1,500,000	\$ 83,321,365
Gas Fund	\$ 1,222,981	\$ 23,902,420	\$ 153,037	\$ 1,235,000	\$ 2,411,530	\$ 1,125,000	\$ 30,049,968
Water Fund	\$ 2,741,593	\$ 2,670,900	\$ 1,868,349	\$ 1,129,500	\$ 1,568,389	\$ 475,000	\$ 10,453,731
Sewer Fund	\$ 2,206,485	\$ 2,327,750	\$ 2,390,660	\$ 2,544,700	\$ 3,324,041	\$ -	\$ 12,793,636
Stormwater Fund	\$ 1,524,770	\$ 481,300	\$ 217,830	\$ 720,300	\$ 496,800	\$ -	\$ 3,441,000
Total	\$ 49,457,359	\$ 108,726,846	\$ 19,130,920	\$ 14,581,920	\$ 1,660,990	\$ 3,844,220	\$ 197,402,255

Expenditures by Category



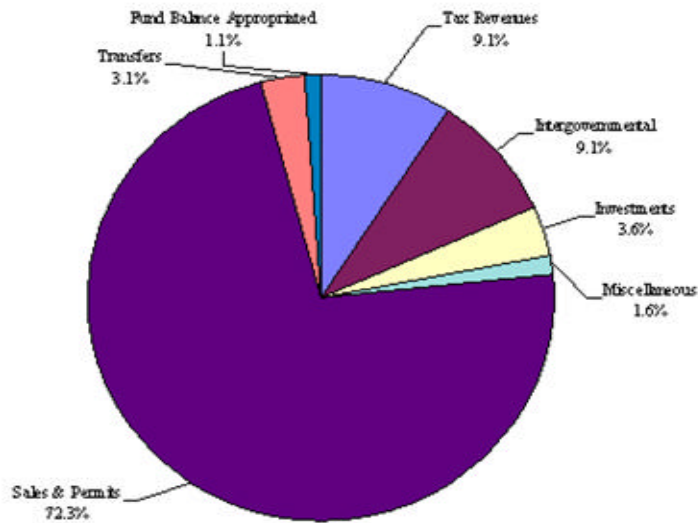
The largest category of expenditures is Current Operating (55%) which represents the purchase of wholesale gas and electric energy. Personnel costs are the second largest share of the total budget at 25%. Capital Outlay is 7% of the total budget compared to 5% last year. All other categories are similar to last year.

Budget In Brief

Comparison of Revenues

	Tax Revenues	Inter-Governmental	Investments	Miscellaneous	Sales & Permits	Transfers	Fund Balance Appropriated
General Fund	\$ 17,901,000	\$ 14,976,900	\$ 2,777,000	\$ 1,285,120	\$ 8,586,900	\$ 3,238,350	\$ 1,600,000
Powell Bill Fund		\$ 2,006,000	\$ 100,000	\$ 25,000			\$ 2,131,000
Emer. Telephone Fund		\$ 355,000	\$ 35,000				\$ 390,000
Debt Service Fund						\$ 2,631,285	\$ 2,631,285
General Capital Fun	\$ 68,000	\$ 676,600	\$ 442,000	\$ 376,000	\$ 262,400		\$ 1,825,000
Electric Fund			\$ 1,443,665	\$ 987,700	\$ 80,890,000		\$ 83,321,365
Gas Fund			\$ 440,000		\$ 29,285,000		\$ 30,049,968
Water Fund			\$ 107,000	\$ 92,872	\$ 9,977,000		\$ 10,453,731
Sewer Fund			\$ 1,355,000	\$ 414,636	\$ 11,024,000		\$ 12,793,636
Stormwater			\$ 429,000		\$ 2,712,000	\$ 300,000	\$ 3,441,000
Total	\$ 17,969,000	\$ 18,014,500	\$ 7,128,665	\$ 3,181,328	\$ 142,737,300	\$ 6,169,635	\$ 2,201,827
							\$ 197,402,255

Comparison of Revenues



Charges for Service represent the largest share of the City's revenue due to utility sales for Gas, Electric, Water , Sewer and Stormwater. Revenues from Ad Valorem and Special District Taxes represent only 9.10% of the total budget.

Budget In Brief

Analysis of Selected Funds

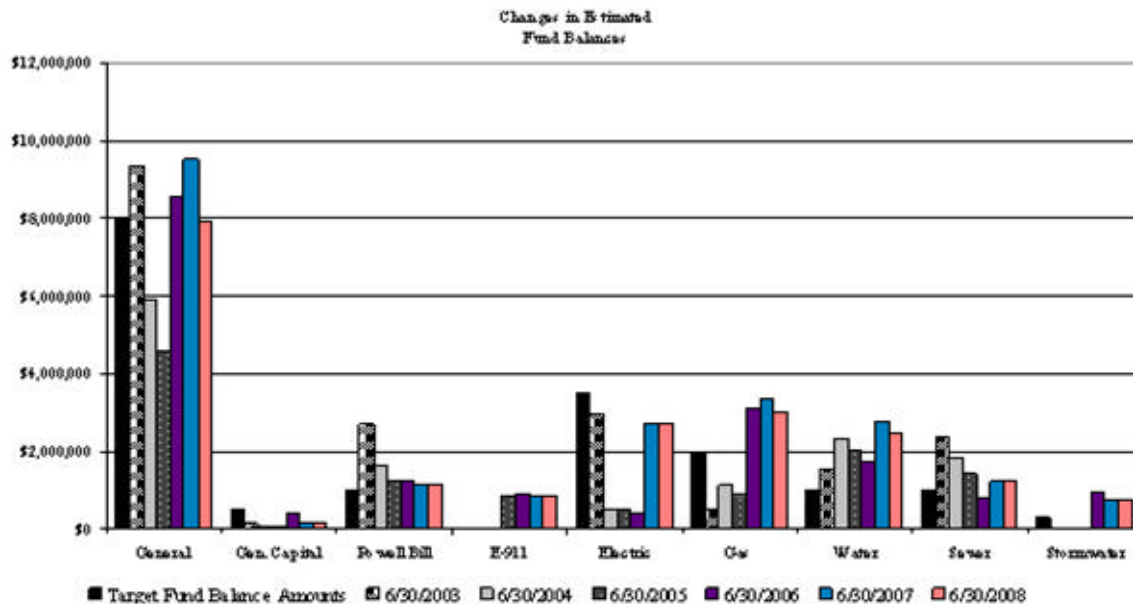
Revenue Type	General Fund	General Capital Fund	Powell Bill Fund	E-911 Fund	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Stormwater Fund	Canteen Fund
Ad Valorem Tax	\$ 17,901,000	\$ 68,000								
Intergovernmental	\$ 14,976,900	\$ 676,600	\$ 2,006,000	\$ 355,000						
Leases & Investments	\$ 2,777,000	\$ 442,000	\$ 100,000	\$ 35,000	\$ 1,443,665	\$ 440,000	\$ 107,000	\$ 1,355,000	\$ 429,000	
Miscellaneous	\$ 1,285,120	\$ 376,000	\$ 25,000		\$ 1,017,700		\$ 109,872	\$ 418,636		\$ 677,100
Sales & Permits	\$ 8,586,900	\$ 262,400			\$ 80,860,000	\$ 29,285,000	\$ 9,960,000	\$ 11,020,000	\$ 2,712,000	
Transfers	\$ 3,238,350								\$ 300,000	
Fund Balance Appropriated	\$ 1,600,000					\$ 324,968	\$ 276,859			
TOTAL	\$ 50,365,270	\$ 1,825,000	\$ 2,131,000	\$ 390,000	\$ 83,321,365	\$ 30,049,968	\$ 10,453,731	\$ 12,793,636	\$ 3,441,000	\$ 677,100

Expenditure Type	General Fund	General Capital Fund	Powell Bill Fund	E-911 Fund	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Stormwater Fund	Canteen Fund
Personal Services	\$ 37,614,454				\$ 4,147,076	\$ 1,222,981	\$ 2,741,593	\$ 2,206,485	\$ 1,524,770	
Current Operating	\$ 10,898,836	\$ 100,000	\$ 250,000	\$ 30,000	\$ 68,065,640	\$ 23,902,420	\$ 2,670,900	\$ 2,327,750	\$ 481,300	
Fixed Charges & Services	\$ 9,152,990	\$ 772,000		\$ 280,000	\$ 1,664,769	\$ 153,037	\$ 1,868,349	\$ 2,390,660	\$ 217,830	
Capital Outlay	\$ 3,188,050	\$ 760,000	\$ 1,281,000	\$ 80,000	\$ 3,643,370	\$ 1,235,000	\$ 1,129,500	\$ 2,544,700	\$ 720,300	
Other Expenses	\$ (10,740,280)		\$ 300,000		\$ 4,300,510	\$ 2,411,530	\$ 1,568,389	\$ 3,324,041	\$ 496,800	\$ 677,100
Transfers	\$ 251,220	\$ 193,000	\$ 300,000		\$ 1,500,000	\$ 1,125,000	\$ 475,000			
TOTAL	\$ 50,365,270	\$ 1,825,000	\$ 2,131,000	\$ 390,000	\$ 83,321,365	\$ 30,049,968	\$ 10,453,731	\$ 12,793,636	\$ 3,441,000	\$ 677,100

Fund Balance Analysis

Estimated Fund Balance 6/30/07	\$ 9,540,800	\$ 122,429	\$ 1,132,096	\$ 846,229	\$ 2,730,370	\$ 3,337,954	\$ 2,755,765	\$ 1,228,453	\$ 739,786	\$ -
Revenues	\$ 45,526,920	\$ 1,825,000	\$ 2,131,000	\$ 390,000	\$ 83,321,365	\$ 29,725,000	\$ 10,176,872	\$ 12,793,636	\$ 3,141,000	\$ 677,100
Transfers In	\$ 3,238,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ -
Total	\$ 58,306,070	\$ 1,947,429	\$ 3,263,096	\$ 1,236,229	\$ 86,051,735	\$ 33,062,954	\$ 12,932,637	\$ 14,022,089	\$ 4,180,786	\$ 677,100
Expenditures	\$ 50,114,050	\$ 1,632,000	\$ 1,831,000	\$ 390,000	\$ 81,821,365	\$ 28,924,968	\$ 9,978,731	\$ 12,793,636	\$ 3,441,000	\$ 677,100
Transfers Out	\$ 251,220	\$ 193,000	\$ 300,000	\$ -	\$ 1,500,000	\$ 1,125,000	\$ 475,000	\$ -	\$ -	\$ -
Total	\$ 50,365,270	\$ 1,825,000	\$ 2,131,000	\$ 390,000	\$ 83,321,365	\$ 30,049,968	\$ 10,453,731	\$ 12,793,636	\$ 3,441,000	\$ 677,100
Estimated Balance as of 6/30/08	\$ 7,940,800	\$ 122,429	\$ 1,132,096	\$ 846,229	\$ 2,730,370	\$ 3,012,986	\$ 2,478,906	\$ 1,228,453	\$ 739,786	\$ -

These are the estimated available fund balances for all funds.
Estimated Balances include All Reserves.

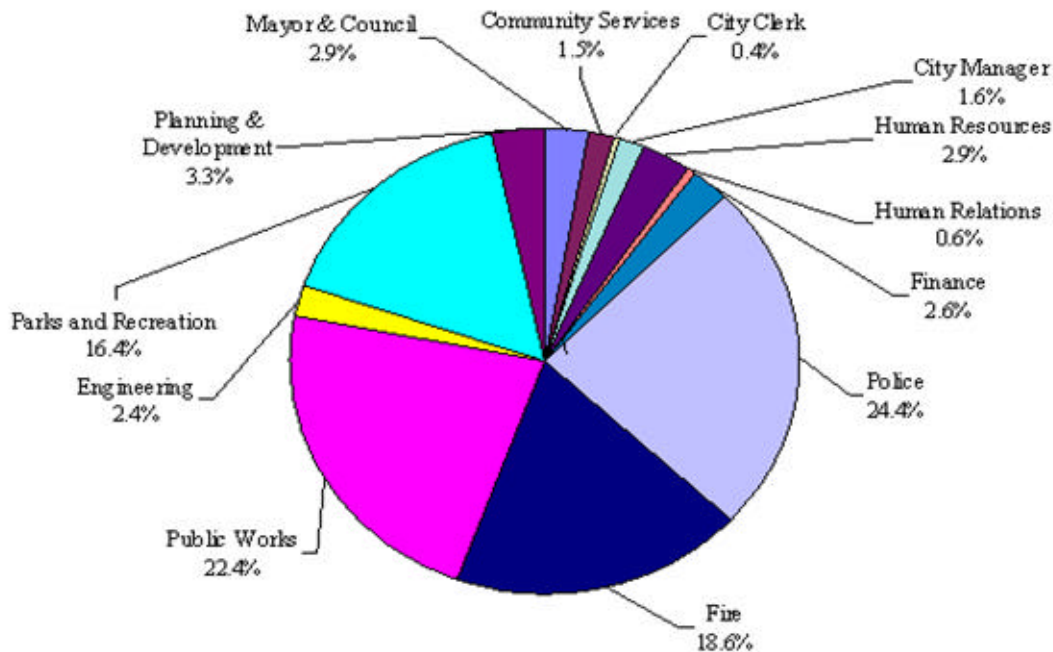


Budget In Brief

General Fund Summary

	2005-06 Actual	2006-07 Budget	2006-07 Projected	2007-08 Adopted
Mayor & Council	\$ 330,431	\$ 851,634	\$ 791,578	\$ 1,446,034
Community Services	\$ 800,870	\$ 1,045,430	\$ 909,729	\$ 769,030
City Clerk	\$ 203,817	\$ 227,043	\$ 212,257	\$ 219,042
City Manager	\$ 753,084	\$ 796,539	\$ 720,655	\$ 806,281
Human Resources	\$ 593,119	\$ 1,334,004	\$ 1,336,362	\$ 1,457,607
Human Relations	\$ 253,486	\$ 226,743	\$ 207,837	\$ 299,036
Finance	\$ 743,926	\$ 1,926,255	\$ 1,015,190	\$ 1,330,123
Police	\$ 10,817,160	\$ 11,493,318	\$ 10,870,739	\$ 12,279,666
Fire	\$ 9,221,991	\$ 9,206,687	\$ 8,911,969	\$ 9,385,639
Public Works	\$ 9,050,682	\$ 10,197,011	\$ 8,920,359	\$ 11,290,720
Engineering	\$ 1,012,593	\$ 1,181,043	\$ 1,079,044	\$ 1,184,448
Parks and Recreation	\$ 7,033,085	\$ 8,726,264	\$ 8,558,326	\$ 8,241,176
Planning & Development	\$ 1,410,670	\$ 1,524,980	\$ 1,387,237	\$ 1,656,468
Total	\$ 42,224,914	\$ 48,736,951	\$ 44,921,282	\$ 50,365,270

Expenditures by Department



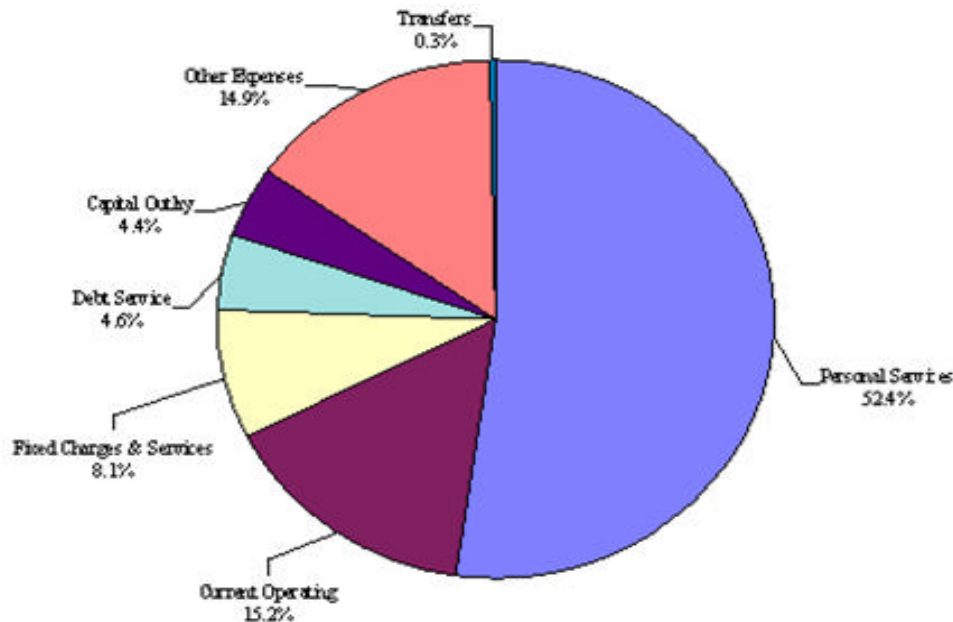
The General Fund Budget at \$50,365,270 represents an 3.3% increase over the FY06-07 Budget. Public Safety (Fire and Police) activities are 43.02% of the General Fund Budget. The Public Works Department is the next largest share at 22.42%.

Budget in Brief

General Fund Comparison of Expenditures

	Personal Services	Current Operating	Fixed Charges & Services	Debt Service	Capital Outlay	Other Expenses	Transfers	Total
Mayor and City Council	\$ 405,154	\$ 1,020,480	\$ 30,000	\$ -	\$ -	\$ (9,600)	\$ -	\$ 1,446,034
Community Service	\$ -	\$ 56,600	\$ 717,610	\$ -	\$ -	\$ (256,400)	\$ 251,220	\$ 769,030
City Clerk	\$ 221,092	\$ 33,500	\$ 5,000	\$ -	\$ 2,500	\$ (43,050)	\$ -	\$ 219,042
City Manager	\$ 932,501	\$ 123,800	\$ 2,630	\$ -	\$ 35,000	\$ (287,650)	\$ -	\$ 806,281
Human Resources	\$ 1,231,717	\$ 146,090	\$ 12,000	\$ -	\$ 5,100	\$ 62,700	\$ -	\$ 1,457,607
Human Relations	\$ 430,236	\$ 30,550	\$ -	\$ -	\$ 6,050	\$ (167,800)	\$ -	\$ 299,036
Finance	\$ 4,313,353	\$ 1,275,720	\$ 1,395,900	\$ 250,000	\$ 278,800	\$ (6,183,650)	\$ -	\$ 1,330,123
Police	\$ 10,685,066	\$ 951,100	\$ 95,000	\$ 159,500	\$ 389,000	\$ -	\$ -	\$ 12,279,666
Fire	\$ 8,167,089	\$ 725,690	\$ 11,800	\$ 354,560	\$ 126,500	\$ -	\$ -	\$ 9,385,639
Public Works	\$ 4,722,724	\$ 4,018,226	\$ 3,062,550	\$ 433,120	\$ 2,124,000	\$ (3,069,900)	\$ -	\$ 11,290,720
Engineering	\$ 1,194,008	\$ 518,140	\$ 181,900	\$ 26,200	\$ 54,000	\$ (789,800)	\$ -	\$ 1,184,448
Parks & Recreation	\$ 3,877,546	\$ 1,782,640	\$ 323,350	\$ 2,091,870	\$ 160,900	\$ 4,870	\$ -	\$ 8,241,176
Planning & Development	\$ 1,433,968	\$ 216,300	\$ 6,200	\$ -	\$ -	\$ -	\$ -	\$ 1,656,468
Total	\$ 37,614,454	\$ 10,898,836	\$ 5,843,940	\$ 3,315,250	\$ 3,181,850	\$ (10,740,280)	\$ 251,220	\$ 50,365,270

Expenses by Category



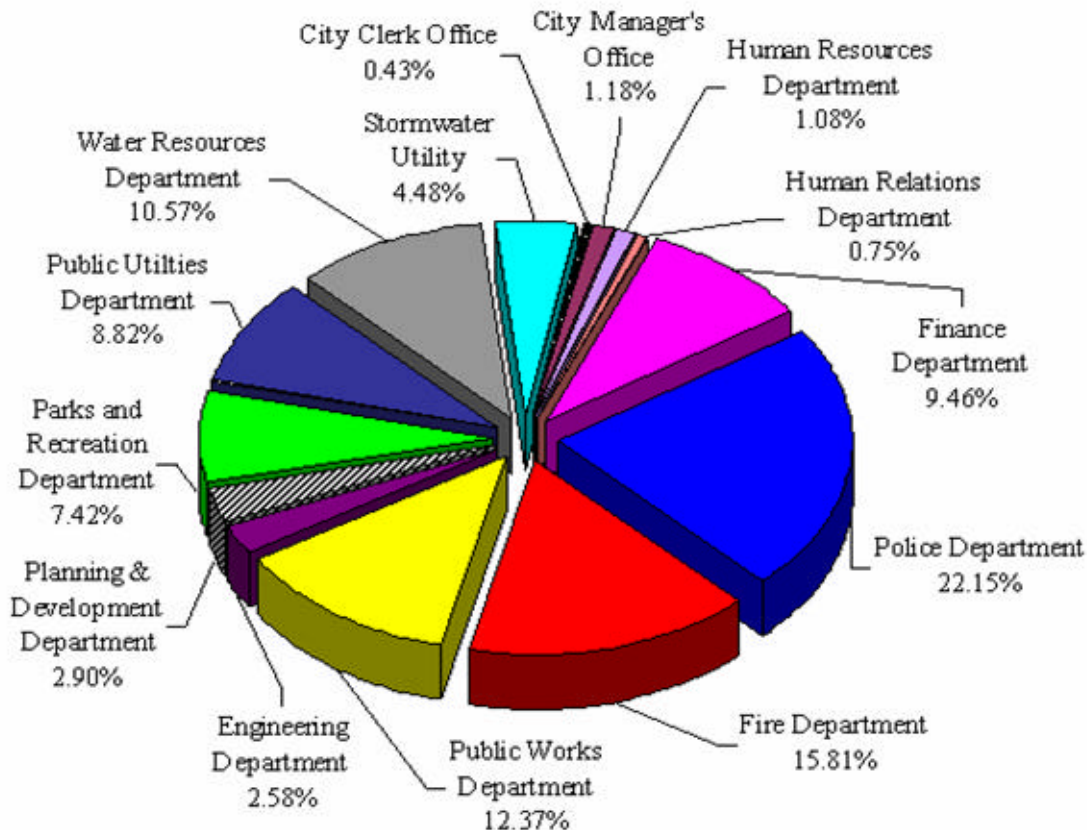
In the General Fund, the largest category of expenditures is Personal Services at 53%. The other two large categories are Current Operating and Other Expenses. Other Expenses represent the reimbursement from the utilities for services performed by the General Fund operations and charges for fleet maintenance services to all departments including those in the general fund.

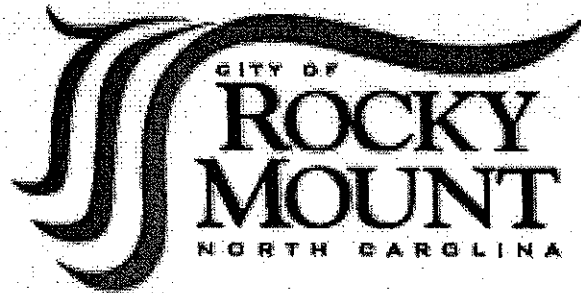
Budget In Brief

Positions by Department

	2005-06	2006-07	2007-08	
	Actual	Budget	Adopted	Change
Department				
City Clerk Office	4	4	4	0
City Manager's Office	11	11	11	0
Human Resources Department	10	10	10	0
Human Relations Department	6	6	7	1
Finance Department	80	88	88	0
Police Department	200	200	206	6
Fire Department	147	147	147	0
Public Works Department	108 1/6	108	115	7
Engineering Department	25	24	24	0
Planning & Development Department	26	26	27	1
Parks and Recreation Department	67	69	69	0
Public Utilities Department	81	81	82	1
Water Resources Department	98 1/3	98 1/3	98 1/3	0
Stormwater Utility	40 1/7	41 2/3	41 2/3	0
Total	903 2/3	914	930	16

Positions by Department





Budget Development

The development of the City of Rocky Mount's budget takes place over a six month period during which the Five Year Capital Improvement Program (CIP) and the annual operating budget are prepared and submitted to the City Council. These two components are vital to the preparation of a budget that will fulfill the needs of the City.

Each year a calendar is designed to provide a framework within which the interaction necessary to formulate a sound budget occurs. At the same time, it ensures that the City will comply with all applicable State and Federal legal mandates.

Capital Improvement Program

The Capital Improvement Program (CIP) process begins in December when the departments formulate their capital project requests. The departments review their previously submitted and approved requests, revising and updating the project description, cost estimates and timing based on current information. Departments submit new projects, including cost estimates, scheduling and funding alternatives, for inclusion in the CIP.

Concurrently, with the preparation of the CIP requests, the Budget Manager and Finance Director collect and analyze the financial information necessary to determine the resources available in the coming years. The Budget Manager is also available to aid departments' staff in their preparation of the CIP requests.

After the compilation of the CIP requests, the Finance Director, Budget Manager, Assistant City Managers and City Manager review the capital projects. Projects are reviewed relative to community needs and proposed funding. Projects are evaluated in terms of their priority, urgency and benefit in relation to all other projects, with the current and projected fiscal resources in mind. This review, along with the knowledge of available funding, forms the basis of the programs recommended by the City Manager to the City Council. The decision on funding for capital projects is based on the merits of a particular project balanced with the availability of funding.

After deliberation and agreement by the City Council, the CIP is used in the development of the annual operating budget. The first year of the CIP provides guidelines for, and ultimately reflects the Capital Budget with the following four years becoming the Capital Improvement Program.

The Capital Budget is incorporated into the City Manager's recommended annual budget that is subsequently reviewed and adopted by the City Council. By agreeing to the Capital Budget, the City Council does not actually commit to expenditures or appropriations, even in the first year. The City Council, during its annual budget review and approval process in May and June, will approve those recommended capital projects it deems appropriate.

Budget Development

Annual Operating Budget

The City of Rocky Mount's formal operating budget process begins in February of each year. The budget preparation process provides an opportunity to examine operations, propose changes in current services, recommend revisions in organization and methods, and outline requirements for capital outlay items. This process commences with the completion of the Capital Improvement Program.

In February, the Budget Manager disseminates the Budget Development Manual. This manual contains all of the information necessary for the development of the operating budget. Included within the manual are financial guidelines, work plan instructions, example formats and the budget calendar and meetings schedule.

The Budget and Evaluation Manager works closely with City departments to assist with the formulation of their budget requests for the coming year. In addition to their financial requests, departments are asked to formulate work plans composed of accomplishments, initiatives and performance indicators.

Upon the completion of their requests, departments submit the budget package to their respective Assistant City Manager and the Budget Manager. Over the following weeks, the Budget Manager, Finance Director, Assistant City Manager and City Manager review budgets and estimated revenues and make necessary adjustments to achieve a balanced budget.

The City Council receives the recommended budget in May and reviews the recommendations. During these meetings, significant changes in the budget, additions or deletions will be highlighted for the City Council. Finally, the City Council will hold a public hearing to solicit citizen input on the budget, its priorities and funding components, and adopt the final budget.

Budget Revisions

Periodically throughout the year, the budget may require changes. The City Manager may authorize any budget amendments from within any one fund. These budget transfers are reviewed by the Budget and Evaluation Manager and designated Assistant City Manager.

Amendments calling for transfers between two or more funds, the recognition of additional revenue or the appropriation of fund balance require the approval of the City Council. Changes such as these take place infrequently throughout the year.

Budget Development

CIP AND BUDGET SCHEDULE FY 2007-08

November 15	Distribution of CIP worksheets to departments
December 15	Department CIP requests due to Budget & Evaluation Manager
January 2-5	CIP reviews for departments with Assistant City Managers and Budget & Evaluation Manager
January 18-24	CIP reviews for departments with City Manager, Assistant City Managers, Finance Director, and Budget & Evaluation Manager
January 26	Review Current Year Revenues/Expenditures
January 29-February 7	CIP requests and revenue estimates matched, reviewed, and consolidated into CIP budget. City Manager reviewing of CIP.
February 9	CIP completed.
February 9	Distribution of budget letter, calendar, and information packet to departments. Information on utility and radio charges to departments for FY 2007-08 will also be distributed.
February 15	MUNIS Budget System worksheets opened and available
March 15	All Departmental Budget Requests due to Budget & Evaluation Manager
March 19-27	Budget reviews for departments with Assistant City Managers and Budget & Evaluation Manager
March 27- April 3	Budget reviews for departments with City Manager, Assistant City Managers, Finance Director, and Budget & Evaluation Manager
April 4 - 27	Budget requests and estimated revenues reviewed and adjusted to enable balanced budget; City Manager's Budget finalized; document prepared
May 11	City Manager Proposed Budget submitted to City Council
May 21, 23, 29	City Council Budget Session
May 29	City Council Meeting, public hearing on Budget
June 11	City Council Meeting, Budget adopted
June 22	FY 2007-2008 Adopted Budget distributed to departments
July 1	Implementation of FY 2007-2008 Adopted Budget
August 24	Final FY 2007-2008 Adopted Budget presentation published

Financial Policies and Strategies

The City of Rocky Mount's financial policies and strategies are the framework for the budgetary and fiscal management of the city's resources. Below, are the financial practices, which are related to the development and adoption of the City of Rocky Mount's Operating Budget. These policies and strategies represent long-standing principles, traditions and practices and most importantly are guided by the North Carolina Local Government Budget and Fiscal Control Act.

Operating Budget:

The development of the budget is guided by the following budget policies:

- ◆ In compliance with State Statutes, the City Council adopts an annual balanced budget ordinance for all governmental and enterprise funds except funds authorized by project ordinances. An ordinance is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations.
- ◆ The budget ordinance shall cover a fiscal year beginning on July 1 and ending on June 30.
- ◆ No later than June 1, the City Manager shall submit to the City Council a proposed operating budget for the fiscal year commencing the following July 1 through June 30. The submitted operating budget shall include proposed expenditures and revenues as well as a budget message to explain the organization goals as supported by the budget and major changes in fiscal policy.
- ◆ The City shall place a copy of the budget in the City Clerk's office making it available for public inspection and provide public notice of the time and place of the public hearing. Before adopting the budget, the City Council shall conduct a public hearing to allow comment on the proposed budget.
- ◆ By June 30 of each year, the City Council shall adopt the budget through a budget ordinance making appropriations and levying taxes. The ordinance shall make appropriations by department and show revenues by major source.

Capital Improvement Program:

- ◆ The City shall annually review and develop a Capital Improvement Program to present the long-range development of the City's public improvements.
- ◆ After reviewing and analyzing the requests submitted by the Department Heads, the City Manager shall present to the City Council a plan, which proposes the development, acquisition, replacement or renovation of these public improvements.
- ◆ A Capital Improvement is defined as a physical asset constructed or purchased that has a minimum useful life of three (3) years and a minimum cost of \$50,000.
- ◆ Upon agreement of the City Council, the first year of the CIP is incorporated into the Operating Budget as the Capital Budget.
- ◆ The City Council will adopt the Capital Budget during its review and approval of the operating budget in May or June. Appropriations should be made across those funds that comprise the operating budget, with additional appropriations to accounts for transfer to funds not part of the operating budget. These special funds handle grant-funded and multi-year capital projects, and their appropriations are adopted by special project ordinance.

Financial Policies and Strategies

Debt Service Requirements:

- ◆ The City must adhere to the provisions of General Statutes Chapter 159 North Carolina Local Government Budget and Fiscal Control Act and the Local Government Commission, which govern the issuance, and payment of long-term debt for cities.
- ◆ The North Carolina General Statutes 159-55(c) limits the City's net debt to 8% of the appraised value of property subject to taxation within the City.
- ◆ Currently, the City has no debt applicable to the debt limitation.
- ◆ Typically, the City has opted to use General Obligation Debt to fund the acquisition and construction of major capital facilities for the Enterprise Funds.
- ◆ The repayment of these general obligation bonds are budgeted in the Debt Service Fund along with the city contribution to the Nash-Rocky Mount Board of Education.

Special Project Ordinances:

- ◆ Certain special funds are budgeted under project ordinances, which span more than one fiscal year. These project ordinances are controlled by the development of the project, and project appropriations continue until the project is complete. These funds are not subject to the annual budget requirements.
- ◆ The City Council adopts these project ordinances throughout the fiscal year as necessary.

Reserves

- ◆ The North Carolina Local Government Commission prescribes that at a minimum a municipality should maintain available fund balance of at least 8 percent of annual General Fund expenditures. Each municipality should also accumulate an additional reserve for emergencies or unforeseen needs. In determining what is an adequate level of fund balance, a municipality should compare its own level of fund balance to that of municipalities of similar population size and to statewide averages.
- ◆ To that end, the City of Rocky Mount has established target fund balance levels for the General Fund, General Capital Fund, Powell Bill Fund and each of the Utility Funds. These levels provide the optimum amount for fund balance needed for each operation.

Revenues:

- ◆ The City shall maintain diverse and stable revenues to minimize the effects of economic fluctuations.
- ◆ Revenues are conservatively forecasted based on a review of historic collections, anticipated changes in type of legal requirements and percentage change over time.
- ◆ The City shall review fees and charges annually and make necessary modifications based on cost of service and cost recovery.

Financial Policies and Strategies

Transfers:

In order to preserve the financial integrity of the Enterprise Funds (Electric, Gas, Water, Sewer, and Stormwater) and to reduce the General Fund's dependence on Enterprise Fund transfers to a level supportable by prudent business practices, the City has developed a policy on Utility Fund transfers. This policy states that:

- ◆ The City shall receive a payment in lieu of taxes amount from the enterprise funds to the General Fund that approximates the amount of Ad Valorem taxes that would have been paid had utility services been provided by an investor-owned utility. The payment in lieu of taxes shall be reported as an expense of the Enterprise Fund and as revenue of the General Fund.
- ◆ The City may budget annually a Reserve in each Enterprise Fund for Rate Stabilization or Operating purposes in an amount equal to a percentage of annual gross utility sales.
- ◆ The City may budget annually an operating transfer from the Enterprise Funds to the General Fund to provide the General Fund with a return on investment. Normally, the operating transfer shall be subject to the following conditions:
 - ◇ Electric Fund - the amount transferred shall not exceed 3% of the gross fixed assets.
 - ◇ Gas Fund - the amount transferred shall not exceed 75% of the Income before Transfers.
 - ◇ Water Fund - the amount transferred shall not exceed 50% of the Income before Transfers.
- ◆ In the event of an emergency, or unforeseen special need, the amount to be paid from the Enterprise Fund under this resolution may be increased or reduced upon approval by a simple majority of the City Council.

Investments:

The City has established an Investment Policy to provide safe and responsible guidelines for the investment of idle funds in the best interest of the public while fully maximizing the rate of return.

- ◆ Safety of capital is regarded as the highest priority in the handling of investments for the City. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they are from securities defaults or erosion of market value.
- ◆ The City's investment portfolio must be structured in such a manner that will provide sufficient liquidity to pay all obligations as they become due. No investment shall have maturities greater than 36 months.
- ◆ The City seeks to optimize return on investments within the constraints of safety and liquidity. The investment portfolio shall be designed with the annual objective exceeding the average return on the N.C. Capital Management Trust Fund.
- ◆ Investments of the city must conform with investments authorized pursuant to N.C. General Statutes 159.30.

Fund Structure

The budgeting/accounting policies of the City of Rocky Mount conform to generally accepted accounting principles (GAAP) applicable to governmental units.

Basis of Budgeting

All funds of the City are budgeted and accounted for during the year on the modified accrual basis in accordance with State statutes. Under the modified accrual basis, revenues are recognized in the accounting period in which they become measurable and available to pay the liabilities of the current period. Generally, expenditures are recorded in the accounting period in which a fund liability is incurred, if measurable. Principal and interest on general long term debt and vacation and sick pay are recognized as expenditures when paid. Budgeting is done on a modified accrual basis – only revenues and expenditures anticipated during the year are included.

Fund Accounting

The accounts of the City are organized and operated on the basis of funds or account groups. A fund or account group is an independent fiscal and accounting entity with a self-balancing set of accounts, recording its assets, liabilities, fund equity/retained earnings, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with the requirements of law.

General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another funds. The fund's primary revenue sources are ad valorem taxes and intergovernmental revenues. The fund's primary expenditures are for general government, public safety, public works and parks and recreation.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific sources that are legally restricted to expenditures for specific purposes. The City has seven Special Revenue Funds: Entitlement Grant Fund, Emergency Management Fund, Public Transportation Grants Fund, Crime/Safety Fund, Powell Bill Grant Fund, Economic Development Fund, and Emergency Telephone System Fund. Those subject to annual appropriation include:

- a. **Powell Bill Grant Fund** accounts for monies received from the state derived from a per gallon motor fuel tax. The local government allocation is based on local street mileage and population. Expenditures from this fund are restricted to specific highway and street construction and maintenance.

Fund Structure

- b. **Emergency Telephone System Fund** accounts for monies received from the local telephone company from a monthly charge to telephone subscribers. Expenditures from this fund are restricted to specific purchase and maintenance of emergency telephone equipment.

Capital Projects Fund - The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. **General Capital Projects Fund** is used to account for construction of various City projects to improve City parks and facilities and is the only Capital Projects fund subject to annual appropriation.

Enterprise Funds - The Enterprise Funds are used to account for those operations (a) that are financed and operated in manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. These funds subject to annual appropriation are:

- a. **Electric Fund** is used to account for electric utility operations.
- b. **Gas Fund** is used to account for gas utility operations
- c. **Water Fund** is used to account for water utility operations
- d. **Sewer Fund** is used to account for sewer utility operations
- e. **Stormwater Fund** is used to account for stormwater utility operations

Agency Fund - The Agency fund is used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds include: Canteen and Miscellaneous Fund, and Enhanced 911 Fund. The Canteen and Miscellaneous fund is used to account for funds generated from vending machines and other special projects and is subject to annual appropriation.

Internal Service Fund - The Internal Service fund is used to account for intergovernmental services or any shared type service. The City has one internal service fund established to manage the City's self insurance revenue and expenditures. The Internal Service fund has an annual financial plan. It is not part of the annual appropriated budget.

Budget Document

A budget is a formal document that enables the City to plan for the future, measure the performance of city services, and help the public to understand where the revenues come from and how those revenues are spent on city services. Thus, the budget serves many purposes and addresses different needs depending on the "audience"; whether the audience is City staff, Federal and State regulatory authorities, other local governments, or taxpayers and City residents.

The purpose of this budget document is to present to the public and City Council a comprehensive picture of proposed operations for the budget year. This document is organized into several sections that are explained below:

- A. The first section provides an overview and review of the budget. Included within this section is the Budget Message from the City Manager and budget summaries
- B. The second is the Budget Guide which includes department information on the budget process, tax requirements and restrictions, revenue assumption and financial policies.
- C. The next several sections explain those portions of the total city operating budget for city departments and the services, programs and activities.
- D. The final sections provide statistical information about the City.

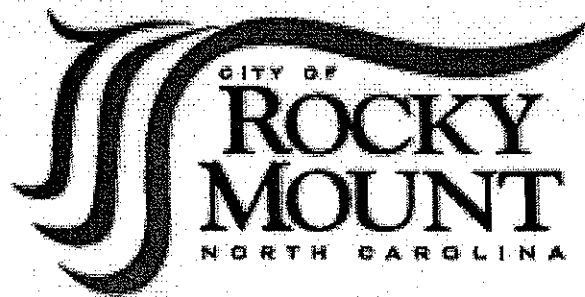
Workplan Development

At the start of the budget process each department is asked to prepare a *work plan*. The *work plan* consists of a *mission statement* for the department and a *statement of purpose, accomplishments, new year initiatives, and workload indicators* for each division.

The departmental *mission statement* is intended to represent the fundamental reason for the organization's existence. The *statement of purpose* describes the unique contribution of the division to the city government and/or citizens receiving services. The *statement of purpose* provides a framework within which a division operates and expresses the end to which resources are directed.

Departments were also asked to review their divisional *accomplishments* and *new year initiatives*. *Accomplishments* are brief statements that highlight activities of the current year. These activities may include changes in operations, new programs, or increased emphasis that has resulted in some type of improved performance of a division. *New initiatives* are specific activities or plans that will cause improvements in productivity, efficiency, or service delivery and which each division plans to obtain in the forthcoming year. These *new initiatives* focus on significant adjustments to basic and continuing services. *Initiatives* must be concrete, specific, attainable and consistent with available resources. Each of these was prepared at the division level. The intent of the accomplishments and new initiatives is to address the activities of the unit in a narrative form.

Finally, each department included a list of performance indicators. During the last year, each department has worked to develop a set of performance measures for each service performed. While these measures are still in their infancy, each department included measures for which data existed. It is the City's intent to expand the use of performance measures.



Budget Overview

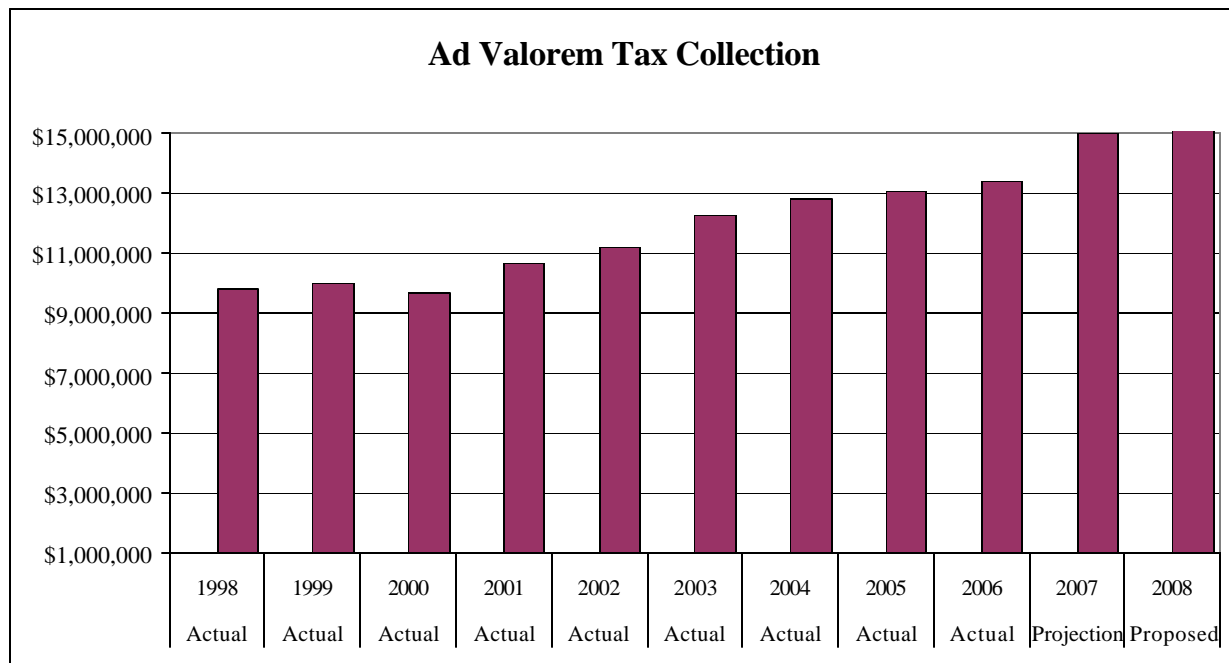
Review of Selected Revenues

Revenues are estimated using a variety of methods and factors. The estimates were prepared using actual prior year amounts, projected collections for FY 2006-07, and trend analysis. Other factors were evaluated to determine their effect on the revenue amounts. These include anticipated changes in type or legal requirements of particular revenue, review of general economic conditions and analysis of the trends and conditions affecting particular revenue. Below, is a review of basic revenue groups and specific revenue types within each group.

Ad Valorem Tax

These revenues are all those collected based on the City of Rocky Mount's levy. These include Inventory Tax, Property or Ad Valorem Tax, Vehicle Tax and Tax Penalties.

Ad Valorem Tax is based on the property valuation as determined by the Nash and Edgecombe County Tax Assessors with the City's levy of \$.55 per \$100 of valuation. Historically, the City has collected an average of 96.9% of the levied tax.



In Lieu of Tax is a payment from an Enterprise Fund that approximates the amount of ad valorem tax that would have been paid had utility service been provided by an investor-owned utility. The In Lieu Tax payment amount is calculated based on the gross fixed assets of the Enterprise Funds as reported in the City's most recent audited financial statement and the current tax rate. This In Lieu of Tax payment is required under the City's Utility Transfer Policy.

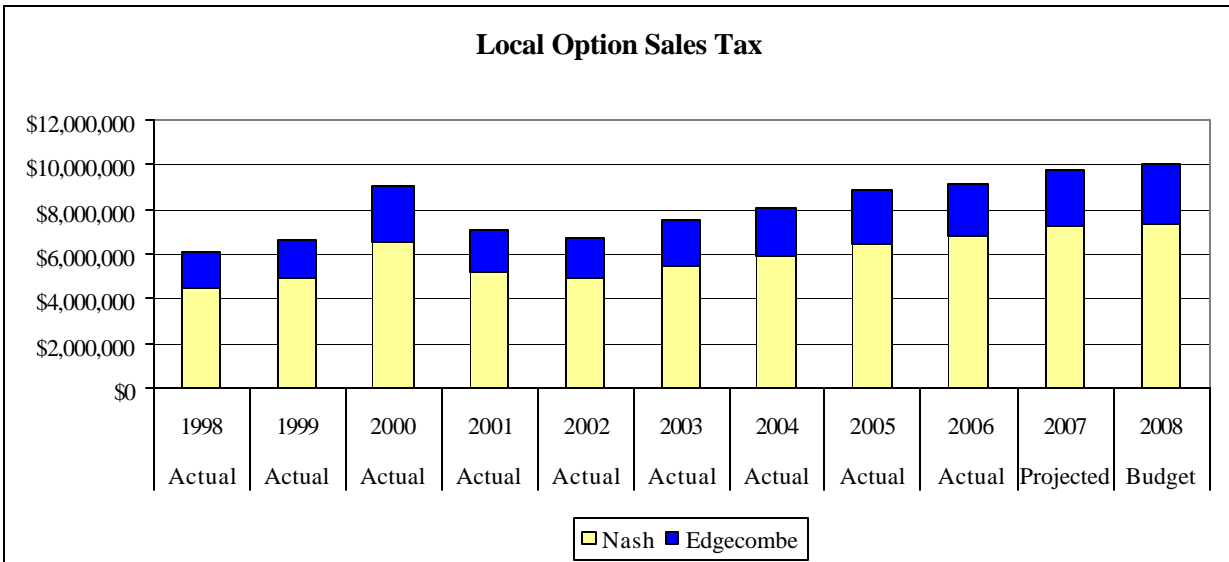
Income from Other Governments

These revenues are those received from other governmental units. Among these revenues are local option sales tax, franchise tax, beer and wine tax, Powell Bill proceeds and State and Federal Grants.

Budget Overview

Review of Selected Revenues

Local Option Sales Tax is collected by authority of the General Statutes by both Nash and Edgecombe Counties. Previously, the two half cent sales tax portions were dedicated to water and sewer system improvements. This dedication requirement has expired and all Local Option Sales Tax is now budgeted in the General Fund or the General Capital Fund. On an annualized basis, Local Option Sales Tax is estimated to increase 3.5% in FY 2007-08.



The State of North Carolina levies a **franchise tax** on electric, and natural gas service provided within the city limits of each City. This Franchise Tax is remitted back to the city from the state in quarterly payments. Due to its link to utility sales, this revenue is very sensitive to the weather. The City is projecting Franchise Tax to increase 6.5% for FY 2007-08. Along with this revenue is a tax on telecommunication service. There is no expected growth in the telecommunications tax.

Powell Bill revenues are received from the State of North Carolina's gasoline tax. The funds are used for street and sidewalk construction and maintenance purposes as well as drainage improvements. The State of North Carolina has previously used funds from the Highway Trust Fund to balance the State budget, reducing funds available to local governments, but no similar action is expected this year. The City is projecting to receive an estimated \$1,802,000 in Powell Bill funds.

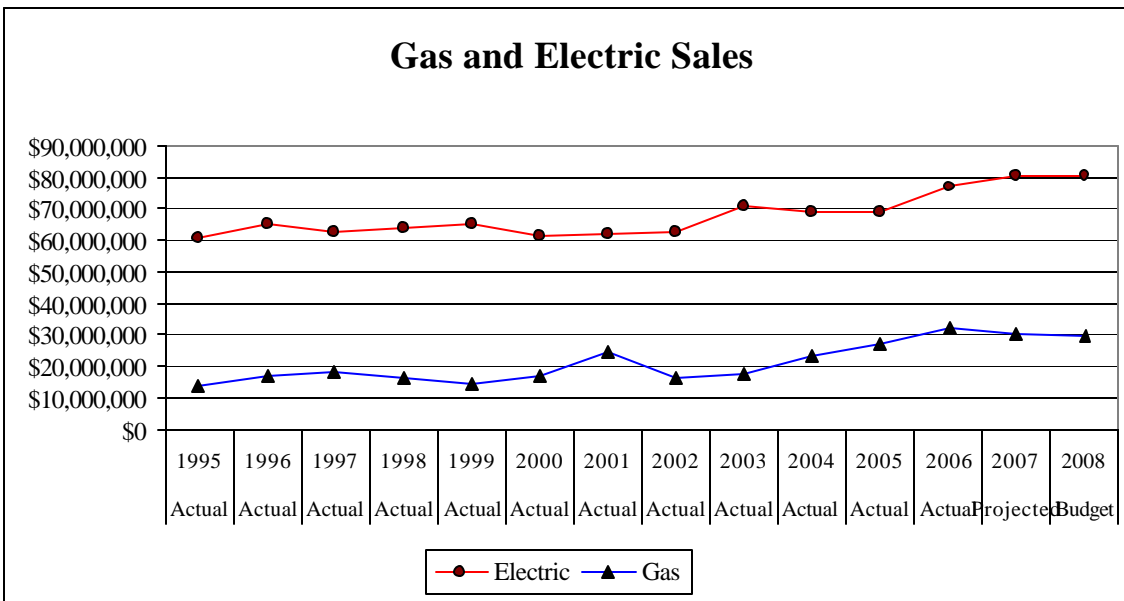
Charges for Services

These revenues include electric, gas, water, sewer and stormwater service revenues as well as building permit recreation fees and solid waste disposal monthly service charges.

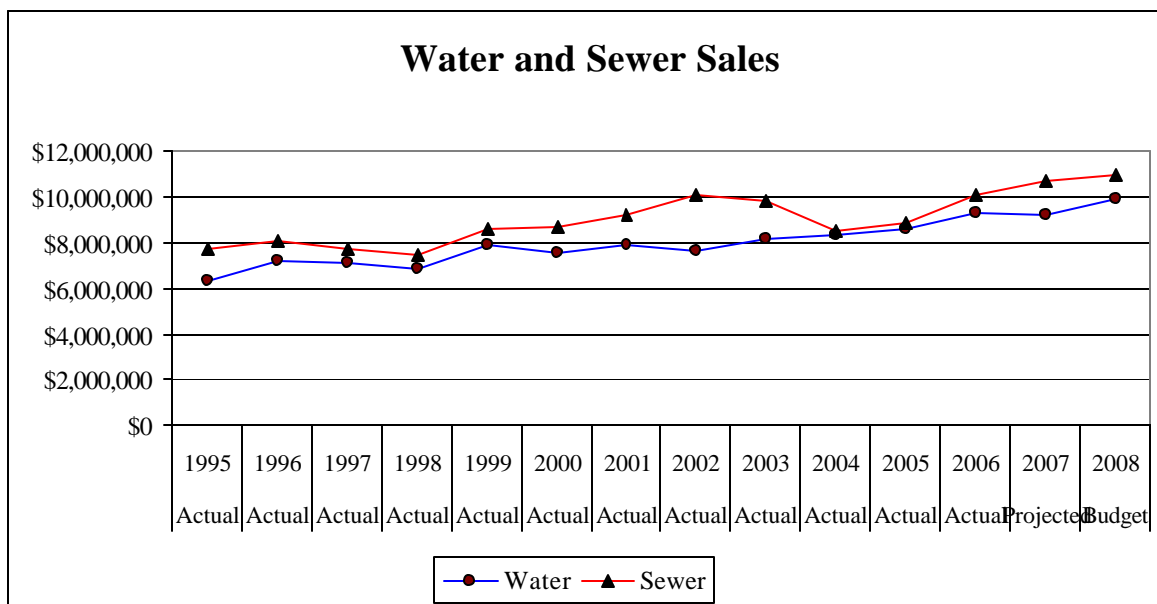
Budget Overview

Review of Selected Revenues

Electric and Gas sales revenues are particularly difficult to forecast, as they are highly sensitive to the weather. These two utilities have seen system growth as evidenced by a five-year average growth of 1.4% in electric meters and 4% in gas meters. However, the City lost some large utility customers in the past few years. Considering demand and the cost of purchased energy, the budget includes utility sales of \$80,450,000 in the Electric Fund and \$29,275,000 in the Gas Fund.



Water and Sewer sales are also difficult to predict due to several plant closings that were large customers. This year, the budget includes no sewer rate increase and a 2.5% water rate increase and no sewer rate increase that, when included in the estimates, yield projected water sales of \$9,890,000 and sewer sales of \$11,000,000.



Budget Overview

Review of Selected Revenues

Transfers from Other Funds

These are amounts that are transferred from one City fund to another. Below is an explanation of significant transfers.

An **Operating Transfer** is made by each enterprise fund (Electric, Gas, Water and Sewer) to the General Fund to represent a return on the investment of the utility. Typically, these transfers are made within the following guidelines:

- ? Electric Fund -- the amount transferred shall not exceed 3% of the gross fixed assets.
- ? Gas Fund -- the amount transferred shall not exceed 75% of the Income before Transfers
- ? Water Fund -- the amount transferred shall not exceed 50% of the Income before transfers.

Finally, the enterprise funds make **transfers** to the **Debt Service Fund** to cover the City's long term debt payments as well as the payments to the Nash-Rocky Mount Board of Education as a result of consolidation.

Other Revenues

Other Revenues include interest income, lease purchase proceeds, assessments, privilege licenses and revenues not classified above. Each of these revenues is evaluated individually and forecasted using a review of actual amounts, trend analysis and information on growth and changes in billing or collection method.

Fund Balance Appropriated

The appropriation of fund balance is necessary to balance projected revenues and expenditures. The level of appropriation is determined by the difference between recommended expenditures and estimated revenues for the upcoming fiscal year. The amount of appropriated fund balance changes from year to year.

Revenues

	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Projected	FY 2007-08 Adopted
General Fund				
Ad Valorem Taxes	13,405,738	14,980,000	15,000,000	15,250,000
Animal Tax	25,453	26,000	26,000	26,000
Tax Penalty	152,700	160,000	170,000	175,000
Taxes Levied-Prior Year	282,774	330,000	360,000	350,000
Vehicle Taxes	1,629,853	2,085,000	2,000,000	2,100,000
Tax Revenues Total	15,496,519	17,581,000	17,556,000	17,901,000
Taxes-Payment In Lieu	1,024,180	1,145,500	1,145,500	1,177,700
Taxes-Franchise CATV	486,725	479,300	479,300	479,300
Taxes-Housing Authority	39,914	35,000	35,000	35,000
Rental Vehicle Tax	46,056	46,000	46,000	46,000
Federal Grant-Highway Administration	127,823	117,900	117,900	187,140
Federal Grant-Arts Council	-	5,000	5,000	5,000
NCDOT Revenue	50,000	-	-	-
State Grant-Mosquito	13,956	8,100	8,100	8,100
State Grant-Cultural Arts	-	4,500	8,500	4,000
NCDivision of Crime Control	29,897	2,026	-	-
Local Option Tax-Nash	6,429,067	6,628,600	6,640,000	6,935,000
Local Option Tax-Edgecombe	2,216,871	2,358,400	2,360,000	2,466,000
Wine And Beer	248,713	260,000	260,000	270,000
ABC-Nash	34,417	35,000	35,000	35,000
ABC-Edgecombe	7,741	5,000	5,000	5,000
Franchise Tax	1,799,966	1,840,000	1,775,000	1,900,000
Telecommunications Sales Tax	649,543	600,000	900,000	750,000
State Court Facility-Nash	87,678	95,000	95,000	95,000
State Court Facility-Edge	52,531	60,000	60,000	60,000
State Court Officer Nash	13,115	25,000	25,000	25,000
State Court Officer Edge	6,001	7,000	7,000	7,000
Jail Fee-Nash & Edgecombe	5	-	-	-
KAB Local Share Revenue	70	36,300	36,300	38,000
Housing Authority Police Reimbursement	25,659	28,000	28,000	28,000
NRM Schools Resource Officer	182,032	183,000	183,000	183,000
Nash County Contributions	-	-	-	2,660
Traffic Maintenance Charge	244,742	200,000	200,000	200,000
Sales And Use Tax-Refund	96,899	35,000	35,000	35,000
Intergovernmental Revenues Total	13,913,602	14,239,626	14,489,600	14,976,900
Privilege Fee	97,067	98,000	98,000	100,000
License Fee-Motor Vehicle	201,902	198,000	200,000	200,000
Licenses and Permits	683,189	675,000	620,000	650,000
Fire Permit Fees	99,370	97,000	85,000	89,000
Licenses & Permits Total	1,081,528	1,068,000	1,003,000	1,039,000
Citation Fee-Housing	173,821	120,000	120,000	120,000
Citation-Safelight	288,874	194,400	170,000	194,400
Citation Fee-Parking	8,683	6,500	6,500	6,500
Police Fees	531	-	-	-
Other-Animal Shelter	16,509	15,000	15,000	15,000

Revenues

	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Projected	FY 2007-08 Adopted
Fire Protection	5,490	5,400	5,400	5,400
Hydrant Repairs	7,025	7,000	7,000	7,000
Hazard Spill Clean-Up	(76)	-	-	-
Recreation Revenue	409,743	758,850	543,150	553,500
Dumpster Service	668,607	800,000	746,000	800,000
Roll Out Cart Service	1,873,777	2,100,000	2,025,000	2,100,000
Transfer Station Fee	2,323,148	2,388,000	2,200,000	2,400,000
Recycling Fees	309,372	372,000	360,000	372,000
Sales-Recyclable Items	447	-	-	-
Weed Control Service	65,391	95,000	53,000	53,000
Extra Pickup Service	832	-	-	-
Fee-Finger Print	6,255	5,000	5,000	5,000
Cemetery-Burial	142,100	133,000	133,000	140,000
Cemetery-Lots	31,713	40,000	40,000	40,000
Reconnection	280,401	280,000	280,000	300,000
Parking	1,560	1,500	1,500	1,500
Train Station Expense Recov	65,847	60,000	60,000	60,000
Other-Juvenile Transportation	14	-	-	-
Other-Police Fees	8,700	-	-	-
Parking-City Hall	7,632	7,600	7,600	7,600
Parking-Harambee	768	720	720	1,000
Sales-Material	35,264	41,000	41,000	41,000
Sales Fixed Assets	73,522	75,000	75,000	325,000
Sales & Services Total	6,805,948	7,505,970	6,894,870	7,547,900
Interest	696,057	600,000	800,000	750,000
Interest& Penalties	19,348	20,000	20,000	24,000
Investments Total	715,404	620,000	820,000	774,000
Assessment-Demolition	25,751	40,000	40,000	40,000
Contributions-CATV	-	25,000	35,000	20,000
Contributions-Friends	(113)	250	250	-
Contributions	12,500	33,700	30,700	-
Sponsorships	1,800	11,500	16,500	10,000
Insurance Settlements	11,000	40,030	11,700	11,700
Indirect Cost Recovery	2,182	-	-	-
Rents-Building	39,650	33,600	43,600	45,100
Rents-BTW	3,343	3,300	3,300	3,300
Rents-Mohasco	117,849	118,000	118,000	118,000
Rents-REA	(1,475)	3,600	3,600	3,600
Rents-Region L	33,758	33,600	33,600	9,000
Rents-Judicial Center	33,600	33,600	33,600	33,600
Rents-Transit	21,504	21,500	21,500	21,500
Rents-Lots	72	-	-	-
Rent-Train Station	61,036	55,800	55,800	44,000
Rents-Equipment	10,804	5,700	5,700	6,100
Rents-Sports Complex	-	5,000	5,000	5,000
Rents-Other Facilities	1,095	500	500	500
Telephone-Commissions	323	-	-	-

Revenues

	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Projected	FY 2007-08 Adopted
Other-Excess Utility Tax	378,476	400,000	400,000	400,000
Return Check Fees	1,900	2,000	2,000	2,000
Miscellaneous Revenues	436,777	170,605	161,205	156,500
CHAF Program Income	6,469	-	-	-
Entitlement Program	243,837	334,800	334,800	355,220
Miscellaneous Total	1,442,136	1,372,085	1,356,355	1,285,120
Lease Proceeds	725,000	1,087,000	682,000	2,003,000
Leases Total	725,000	1,087,000	682,000	2,003,000
Interfund Transfers	2,449,000	3,000,000	2,950,000	3,238,350
Transfers Total	2,449,000	3,000,000	2,950,000	3,238,350
Fund Balance Appropriated	-	2,263,270	2,263,270	1,600,000
Fund Balance Appropriated Total	-	2,263,270	2,263,270	1,600,000
General Fund Total	42,629,138	48,736,951	48,015,095	50,365,270

Powell Bill Fund

Interest	128,980	100,000	101,100	100,000
Assessment-Streets	16,134	50,000	25,000	25,000
NCDOT Revenue	25,000	768,000	168,000	204,000
Powell Bill Grant	1,771,157	1,792,380	1,725,365	1,802,000
Fund Balance Appropriated	-	1,351,940	1,351,940	-
Shared Cost Refunds	101,802	-	-	-
Powell Bill Fund Total	2,043,073	4,062,320	3,371,405	2,131,000

E-911 Fund

Interest	35,523	30,000	45,000	35,000
E-911 Revenue	375,826	350,000	335,000	355,000
E-911 Fund Total	411,350	380,000	380,000	390,000

Debt Service Fund

Contributions-Electric	656,470	894,850	894,850	321,889
Contributions-Gas	175,058	238,626	238,626	85,837
Contributions-Sewer	1,358,545	1,289,805	1,289,805	1,265,360
Contributions-Water	1,072,655	1,036,487	1,036,487	958,199
Debt Service Fund Total	3,262,728	3,459,768	3,459,768	2,631,285

General Capital Fund

Intergovernmental Revenues	-	-	6,319	-
Interest	8,881	10,000	10,000	2,000
Transfer Station Fee	323,000	262,400	262,400	262,400
Contributions	1,750	-	-	-
Library Lease Reimbursement	-	338,700	338,700	376,000
Special District Tax	66,384	68,000	68,000	68,000
Vehicle Tax-Special District	1,612	-	-	-
Local Option Sales Tax	560,000	520,000	870,000	626,600

Revenues

	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Projected	FY 2007-08 Adopted
Federal Grant-SAFETEA	-	272,000	272,000	50,000
Transfers	15,000	168,000	168,000	-
Lease Proceeds	-	350,000	350,000	440,000
Fund Balance Appropriated	-	334,350	334,350	-
General Capital Fund Total	976,628	2,323,450	2,679,769	1,825,000

Electric Fund

Utility Sales	76,804,493	83,500,000	80,535,000	80,450,000
Intergovernmental Revenues	250,000	-	-	-
Interest	74,777	60,000	60,000	60,000
Interest/Penalties	245,155	250,000	250,000	272,665
Expense Recovery	465,050	380,000	380,000	400,000
Meter Tampering	2,967	10,000	10,000	10,000
Bad Debt Collected	180,612	155,000	155,000	155,000
Telephone Charges	454,483	471,000	471,000	520,000
Radio Maintenance Fees	287,797	290,000	290,000	307,700
Sale of Material	3,986	232,000	246,200	-
Return Check Fees	40,125	35,000	35,000	35,000
Insurance Settlements	-	238,990	238,986	-
Lease Proceeds	1,491,000	100,000	100,000	1,111,000
Fund Balance Appropriated	-	2,363,678	2,261,370	-
Miscellaneous	(331)	26,160	26,160	-
Electric Fund Total	80,300,112	88,111,828	85,058,716	83,321,365

Gas Fund

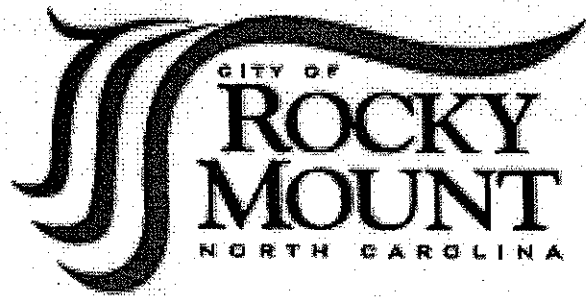
Utility Sales	31,679,844	27,400,000	29,990,000	29,275,000
Interest	141,273	130,000	140,000	150,000
Interest/Penalties	93,223	85,000	85,000	85,000
Expense Recovery	4,745	10,000	14,000	10,000
Return Check Fees	200	-	-	-
Lease Proceeds	-	185,000	185,000	205,000
Fund Balance Appropriated	-	237,000	237,000	324,968
Miscellaneous	-	14,874	14,874	-
Gas Fund Total	31,919,285	28,061,874	30,665,874	30,049,968

Water Fund

Frontage Fee	58,352	50,000	50,000	50,000
Privilege Fee	20,742	20,000	27,000	20,000
Utility Sales	9,311,154	9,470,000	9,201,000	9,890,000
Service Taps	18,654	17,000	10,000	17,000
Intergovernmental Revenues	-	50,000	50,000	-
Interest	128,166	50,000	119,900	72,000
Interest/Penalties	40,156	35,000	41,000	35,000
Assessment	21,853	10,000	10,000	10,000
Rents-Other Facilities	28,622	28,000	28,000	28,000
Fund Balance Appropriated	-	2,159,620	2,139,620	276,859
Miscellaneous	52,315	55,218	63,450	54,872
Water Fund Total	9,682,615	11,944,838	11,739,970	10,453,731

Revenues

	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Projected	FY 2007-08 Adopted
Sewer Fund				
Frontage Fee	43,405	20,000	5,000	20,000
Privilege Fee	9,877	-	-	-
Pretreatment Fees	(64,451)	-	4,000	-
Utility Sales	10,128,364	10,812,000	10,731,000	11,000,000
Service Taps	7,108	4,000	4,100	4,000
Interest	39,736	30,000	30,000	30,000
Interest/Penalties	44,733	40,000	40,000	40,000
Contributions	-	-	-	250,000
Assessment	79,526	50,000	2,000	50,000
Return Check Fees	25	-	-	-
Loan Proceeds	631,211	210,900	2,771,806	-
Lease Proceeds	-	-	-	1,285,000
Fund Balance Appropriated	-	4,415,325	2,137,581	-
Miscellaneous	107,695	142,048	144,048	114,636
Sewer Fund Total	11,027,229	15,724,273	15,869,535	12,793,636
Stormwater Fund				
Utility Sales	2,673,764	2,600,000	2,680,000	2,712,000
Interest	64,957	65,000	80,000	61,000
Interest/Penalties	12,150	11,000	14,000	11,000
Transfers	700,000	510,000	510,000	300,000
Lease Proceeds	210,000	290,000	290,000	357,000
Fund Balance Appropriated	-	869,650	869,650	-
Stormwater Fund Total	3,660,870	4,345,650	4,443,650	3,441,000
Total Annual Operating Budget (Subtotal)	185,913,028	207,150,952	205,683,783	197,402,255
Canteen Fund				
Canteen Accounts	586,925	739,524	721,840	677,100
Canteen Fund Total	586,925	739,524	721,840	677,100
Risk Management Fund				
Insurance Premiums	4,288,691	5,484,800	5,460,000	5,484,800
Stop Loss	343,938	-	-	-
Miscellaneous	122,249	-	-	-
Risk Management Fund Total	4,754,878	5,484,800	5,460,000	5,484,800
Adopted Budget Total	191,254,832	213,375,276	211,865,623	203,564,155



Expenditures

	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Projected	FY 2007-08 Adopted
General Fund				
Mayor and Council	330,431	851,634	791,578	1,446,034
Community Services	800,870	1,045,430	909,729	769,030
City Clerk	203,817	227,043	212,257	219,042
City Manager				
City Manager	556,551	550,661	492,139	560,437
Public Affairs	102,891	114,909	107,475	130,729
Downtown Development	93,642	130,969	121,041	115,115
City Manager Total	753,084	796,539	720,655	806,281
Human Resources	593,119	1,334,004	1,336,362	1,457,607
Human Relations	253,486	226,743	207,837	299,036
Finance				
Administration	145,247	194,402	134,282	203,231
Accounting	77,064	126,783	75,175	128,775
Purchasing	98,301	87,544	82,299	95,620
Utility Business Office	(46,106)	175,067	(33,058)	116,473
Information Systems	(211,713)	637,410	84,876	48,830
Finance Total	62,793	1,221,206	343,574	592,929
Central Services				
Print Shop	91,318	20,500	3,000	25,500
Property & Risk Management	369,244	450,214	438,712	474,984
Judicial Center	220,571	234,335	229,904	236,710
Central Services Total	681,133	705,049	671,616	737,194
Police				
Administration	548,906	606,051	603,907	681,792
Administrative Services	914,064	1,004,239	967,635	1,699,560
Staff Services	1,798,615	1,854,261	1,699,647	1,957,919
Uniformed Operations	6,381,630	6,797,531	6,416,117	6,500,118
Investigative Services	1,173,944	1,231,236	1,183,434	1,440,277
Police Total	10,817,160	11,493,318	10,870,739	12,279,666
Fire				
Administration	475,961	550,593	529,376	558,945
Operations	7,935,391	7,746,822	7,478,806	7,839,373
Life Safety & Emergency	466,126	515,062	535,701	593,627
Support Services	344,513	394,210	368,086	393,694
Fire Total	9,221,991	9,206,687	8,911,969	9,385,639

Expenditures

	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Projected	FY 2007-08 Adopted
Public Works				
Administration	176,885	184,849	173,137	200,871
Streets & Right of Way	1,819,913	1,815,737	1,249,678	2,256,137
Fleet Maintenance	464,811	510,363	437,752	449,570
Environmental Services	5,773,921	6,753,532	6,174,218	7,545,652
Community Code	815,153	932,530	885,574	838,490
Public Works Total	9,050,682	10,197,011	8,920,359	11,290,720
Engineering				
Administration	425,489	533,516	474,359	542,307
Traffic	587,104	647,527	604,685	642,141
Engineering Total	1,012,593	1,181,043	1,079,044	1,184,448
Parks & Recreation				
Administration	330,779	341,986	316,428	323,778
Athletics	467,701	491,780	464,616	459,706
Amusement & Special Events	129,202	125,163	121,716	123,425
Neighborhood Programs	512,467	523,682	509,831	547,163
Senior Programs	281,269	1,069,879	1,067,426	565,012
Cemetery	354,219	405,271	380,959	403,600
Outdoor Programs	233,840	236,281	235,290	233,380
Parks Maintenance	1,538,402	1,546,656	1,474,017	1,643,054
Museum	433,911	443,647	419,403	493,773
Cultural Arts	1,349,914	703,505	676,949	687,713
Sports Complex	1,097,560	1,419,216	1,424,942	1,392,241
Imperial Centre Buildings	303,820	1,419,198	1,466,749	1,368,331
Parks & Recreation Total	7,033,085	8,726,264	8,558,326	8,241,176
Planning				
Administration	492,675	561,944	445,232	490,820
Inspections	611,676	578,217	581,968	750,428
Community Development	306,319	384,819	360,037	415,220
Planning Total	1,410,670	1,524,980	1,387,237	1,656,468
General Fund Total	42,224,913	48,736,951	44,921,282	50,365,270
Powell Bill Fund				
Capital Projects	2,044,411	4,062,320	3,462,320	2,131,000
Powell Bill Fund Total	2,044,411	4,062,320	3,462,320	2,131,000
E-911 Fund				
E-911 Maintenance	203,789	380,000	360,000	390,000
E-911 Fund Total	203,789	380,000	360,000	390,000
Debt Service Fund				
E-911 Maintenance	3,262,728	3,459,768	3,459,768	2,631,285
Debt Service Fund Total	3,262,728	3,459,768	3,459,768	2,631,285

Expenditures

	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Projected	FY 2007-08 Adopted
General Capital Fund				
Downtown Development	-	340,000	340,000	-
General	136,122	35,237	45,000	105,000
Public Safety	65,665	884,350	784,350	455,000
Parks & Recreation	1,251,939	1,027,163	1,004,100	1,165,000
Economic Development	2,542	36,700	50,000	100,000
General Capital Fund Total	1,456,268	2,323,450	2,223,450	1,825,000
Electric Fund				
Administration	233,259	322,027	301,977	365,821
Communications Support	600,903	643,222	638,722	692,643
Electric Distribution	73,133,621	82,666,509	78,427,896	77,331,755
Energy Services	1,245,552	1,362,652	1,301,289	1,580,204
Engineering	-	-	-	1,274,942
Electric Capital	2,100,376	3,117,418	3,143,050	2,076,000
Electric Fund Total	77,313,711	88,111,828	83,812,934	83,321,365
Gas Fund				
Gas Distribution	31,923,357	27,211,874	29,218,525	29,149,968
Gas Capital	1,074,490	850,000	850,000	900,000
Gas Fund Total	32,997,847	28,061,874	30,068,525	30,049,968
Water Fund				
Administration	3,507	(6,500)	(9,950)	-
Technical Services	(74,673)	(17,830)	(86,925)	-
Treatment Services	6,180,759	6,775,837	6,781,910	7,022,659
Water Services	2,554,906	2,437,381	2,407,484	2,486,072
Water Capital	2,068,226	2,755,950	2,725,866	945,000
Water Fund Total	10,732,725	11,944,838	11,818,385	10,453,731
Sewer Fund				
Wastewater Treatment	6,934,432	7,779,109	7,507,855	7,791,050
Sewer Services	2,452,283	2,623,289	2,555,549	2,766,586
Sewer Capital	2,803,810	5,321,875	5,193,055	2,236,000
Sewer Fund Total	12,190,525	15,724,273	15,256,459	12,793,636
Stormwater Fund				
Administration	832,395	770,369	733,281	717,401
Operations	1,850,733	2,152,081	2,029,745	2,073,599
Stormwater Capital	255,969	1,423,200	1,206,300	650,000
Stormwater Fund Total	2,939,097	4,345,650	3,969,326	3,441,000
Total Annual Operating Budget (Subtotal)	185,366,013	207,150,952	199,352,449	197,402,255

Expenditures

	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Projected	FY 2007-08 Adopted
Canteen Fund				
Canteen	216,686	739,524	207,020	677,100
Canteen Fund Total	216,686	739,524	207,020	677,100
Risk Management Fund				
Risk Management	5,214,519	5,484,800	4,900,000	5,484,800
Risk Management Fund Total	5,214,519	5,484,800	4,900,000	5,484,800
Grand Total	190,797,219	213,375,276	204,459,469	203,564,155

Utilities Strategic Plan

Publicly owned utilities across the country are facing a variety of economic challenges and societal pressures. Here in Rocky Mount, we have four utilities that provide reliable and quality energy and resource services: electric, gas, water and wastewater. In this era of change and uncertainty in the energy industry, utilities such as the City of Rocky Mount Public Utilities, which have built a solid track record of performance, cannot rely on its past performance and past customer loyalty to sustain the organization.

In 1995, the leadership of the City of Rocky Mount and its public utilities chose to embark on a strategic management process that will allow the City to pursue its concept of “one utility—one future” and together to “learn its way to the future.” Since that time, cross-functional teams have worked on various action plans developed to support the City’s vision “To be the leader in service, performance and innovation.”

The current phase of activities consists of a number of initiatives, including:

- Development and implementation of a user group for the Customer Information System.
- Improvements to the utilities dispatch system.
- Development and implementation of a mission/goal based measurement scorecard.
- Implementation of a work order system to support and supplement benchmarking and existing MIS data.

For more information, see the complete Utilities Strategic Plan.

Focus Areas and Action Plans

On March 31, 1997, Mayor Frederick E. Turnage and members of the City Council developed and adopted a Vision Statement for the City of Rocky Mount which reflects what they desire our City to be in the future. To help realize the Vision, the City Council identified specific Focus Areas as their priorities in the years ahead, along with the Action Plans, as outlined in the following pages.

Vision of the City of Rocky Mount

Rocky Mount is a City composed of people of diverse backgrounds, heritages and interests with a shared sense of values, stewardship and community.

It is a City where all citizens have the opportunity to realize their full potential through individual initiative and community support.

Its citizens enjoy and value the benefits of efficient, cost-effective and responsive public services, and a strong and diversified economy and superior cultural and educational resources.

Rocky Mount recognizes and appreciates its history while responding to the challenges and opportunities of regional and global change in a proactive and realistic manner.

Focus on Economic Development

Rocky Mount aspires to be a progressive and growing city with ample opportunities for its citizens to prosper and enjoy a high standard of living. Private sector commerce with productive and profitable business and industry is vital to the future prosperity and development of the city and region.

In order to create and maintain a strong and diversified local economy, existing businesses must succeed, new and better jobs must be created and new capital investment must be secured.

The City of Rocky Mount will develop and implement a plan to be a leader in (1) establishing a positive business climate; (2) providing quality public services and utilities necessary for growth; (3) investing in the community infrastructure; (4) assisting in the creation, retention and expansion of local businesses; and (5) working cooperatively with its regional partners in attracting new business and industry to the area.

GOAL 1: Promote a Positive Business Climate in Rocky Mount

Action Plan:

- A. Provide quality, reliable and competitively priced public utilities by implementing the Rocky Mount Public Utility Strategic Plan.
- B. Facilitate and encourage development through effective, helpful, responsive, and reasonable regulatory and review procedures and policies.
- C. Maintain productive and supportive business-government relationship and cooperation in community affairs and activities.
- D. Plan for and invest in a well-rounded public infrastructure.
- E. Maintain local fiscal, political and economic stability and a positive local government image.
- F. Revitalize the central city and reverse negative perception of deterioration.

GOAL 2: Provide Quality Public Services and Utilities Necessary for Growth

Action Plan:

- A. Provide sufficient water supply for the area by:
 - 1. implementing the Tar River Reservoir Water Supply Management Plan,

Focus Areas and Action Plans

2. initiating conceptual planning for the Roanoke River water supply,
3. evaluating the potential for a "reuse" water system
- B. Regularly expand the boundaries of the city as growth and development occurs through adjustments of the ETJ and annexations.
- C. Facilitate growth and development in selected undeveloped and underdeveloped areas through utility system extensions
- D. Increase and influence growth and development through the adoption of a comprehensive plan and utility extension policies.
- E. Position the City of Rocky Mount Public Utilities to succeed in the future by implementing the Utility Strategic Plan.

GOAL 3: Invest in the Community Infrastructure

Action Plan:

- A. Concurrently with preparation of the City's Comprehensive Plan, prepare long-range system plans for:
 1. electric and gas systems
 2. water and sewer systems
 3. drainage system
 4. thoroughfare and transportation systems
 5. transit system
 6. open space, parks and recreation facilities
 7. central city
 8. Rocky Mount-Wilson Airport
- B. Proceed immediately with construction of vital public facilities including:
 1. New library
 2. Transportation Center
 3. Greenway
 4. Martin Luther King Park
- C. Initiate, participate in, and assist with comprehensive central city revitalization
- D. Pursue joint public-private development of a civic center.
- E. Eliminate neighborhood and housing deficiencies through implementation of CDBG Consolidated Plan and comprehensive code enforcement.
- F. Participate in the development of a quality business park in the city.
- G. Initiate the development of a community technology plan.
- H. Assist the private sector and both counties in improving local school systems and facilities.
- I. Encourage public and private providers to improve and expand health care services and facilities.

GOAL 4: Assist in the Creation, Retention and Expansion of Local Businesses

Action Plan:

- A. Implement the CRMPU's key customer program.
- B. Partner with the Chamber of Commerce and Carolinas Gateway Partnership in developing and implementing an expanded existing industry and business program.
- C. Extend utilities to undeveloped and underdeveloped areas to facilitate growth and expansion.
- D. Actively pursue the construction of a civic center.
- E. Assist the Chamber of Commerce with expansion of travel and tourism programs and facilities.

GOAL 5: Work Cooperatively with Regional Partners to Attract New Business and Industry to the Area.

Action Plan:

- A. Actively participate in and provide leadership and support to the Carolina's Gateway Partnership (CGP).
- B. Assist CGP in developing a marketing plan for Rocky Mount.
- C. Assist CGP in developing an incentive policy for new business and industry.
- D. Appropriately invest in necessary incentives to attract new business and industry to include extension of utilities to industrial parks.
- E. Continue Small Business Recruitment Program.
- F. Prepare and adopt statement of the City's goals and objectives and priorities for economic development.

Focus Areas and Action Plans

Focus on Building Relationships

Rocky Mount is a community where differences are embraced, individual values are respected and concerns are shared regardless of position of geographic location. Members of the City Council collectively represent the community and are sensitive to the diversity of all its citizens and neighboring communities.

Inclusiveness, trust and respect among members is vital to sustaining confidence and trust in government to constituents and other governmental entities.

The Rocky Mount City Council will lead by example to (1) build strong internal and external relationships and communication; (2) strengthen relationships with other governmental entities; (3) encourage public involvement and participation; and (4) make sound decisions based on the good of the entire community.

GOAL 1: Build Strong Internal and External Relationships and Communications

Action Plan:

- A. The Mayor and City Council members will participate in the following:
 - 1. Orientation for newly elected officials
 - 2. Orientation for new employees
 - 3. Neighborhood, church and civic club meetings.
- B. The Mayor and City Council members will meet periodically with Chairpersons of City Boards, Commissions and Committees.
- C. Encourage periodic updates on all projects underway in each City department.
- D. Educate the public of the role and areas of responsibility of the Mayor and City Council.
- E. Develop a Citizen Response Line.
- F. Review new avenues to get information to the press.
- G. Dedicate time to discuss the role and function of City Departments and Operations and the City Manager's philosophy.

GOAL 2: Strengthen and Maintain Relationships with other Governmental Entities

Action Plan:

- A. Be open and available for communication and discussion to all.
- B. Encourage and support Mayor and City Council Members to be active in state and regional organizations.
- C. Meet periodically with Nash and Edgecombe County Commissioners, Legislators, Congress Members, representatives on State Boards and members of area municipalities.
- D. Become more aware of County matters that impact our City and encourage the City Manager to periodically report on County matters.

GOAL 3: Encourage Public Involvement and Participation

Action Plan:

- A. Consider conducting informational meetings in neighborhoods.
- B. Encourage the Mayor and City Council Members to actively solicit individuals to serve on City Boards, C. Commissions and Committees.
- D. Conduct public hearings with a sensitivity to citizen's concerns and assisting citizens to understand the public hearing process and its purpose.
- E. Produce a brochure on City Boards, Commissions and Committees.
- F. Encourage the paper to periodically highlight a City Board, Commission or Committee.
- G. Continue publishing the agenda on C.I.T.Y. TV 19

Focus Areas and Action Plans

GOAL 4: Make Decisions Based on the Overall Good of the Community

Action Plan:

- A. Insist upon making decisions based on the best and most accurate information available.
- B. Hear all sides of the issue and keep an open mind before making decisions.
- C. Recognize representations of individual wards, but make decisions guided by community good.

Focus on City Services, Organization and Infrastructure

To be recognized as a progressive and livable community where government is respected for responsiveness to its citizens, City services must be equitable, efficient, effective and customer focused. Emphasis on maintaining and expanding the public infrastructure is also required to meet current and future community needs.

In order to provide quality public facilities and services, employees, management and elected officials must work together to create and maintain an organizational commitment to superior performance, exceptional customer service, and the attainment of goals and objectives.

To achieve this level of excellence, the City of Rocky Mount will develop and implement a plan to assess, measure, and improve service delivery and infrastructure through investment and allocation of resources, efficient and cost-effective operations, innovation, technology, and responsiveness to change.

GOAL 1: Improve City Service Delivery

Action Plan

- A. Increase employee skills and knowledge base.
- B. Monitor the marketplace to assess the City's competitive position with respect to the delivery of various services.
- C. Solicit citizen support for Services.
- D. Develop a performance measurement system for all City.

Goal 2. To Maintain and Organizational Commitment to Superior Performance and Exceptional Customer Service

Action Plan

- A. Implement FOCUS (For Our Customers...Ultimate service)
- B. Implement aggressive training program
- C. Provide a diverse training program

Goal 3. Improve, Maintain and Develop City Infrastructure

Action Plan

- A. Develop policies governing the expansion of the City's infrastructure (related particularly to water, sewer, and street improvements) that allow the City to guide development.
- B. Coordinate with Nash and Edgecombe Counties on planning infrastructure improvements.
- C. Develop a five year plan for the maintenance and expansion of the City's infrastructure that is fundable without incurring long term debt obligations.

Focus on Neighborhoods

Rocky Mount aspires to be a city with safe, secure and attractive neighborhoods where community identity and pride is evident and cultural diversity is celebrated.

Focus Areas and Action Plans

In order to preserve, protect, restore and revitalize neighborhoods in Rocky Mount, a concerted effort of our citizens with the support of City leaders, City employees, non-profit organizations and corporate citizens is required.

The City of Rocky Mount will develop and implement a plan to assist in the improvement, revitalization and preservation of neighborhoods, which will include an emphasis on housing, public safety, infrastructure, open space and recreation, community appearance and neighborhood services.

GOAL 1: Enhance community pride and neighborhood identity

Action Plan:

- A. Strengthen the Minimum Housing Code.
- B. Provide leadership development training for neighborhood organizations.
- C. Expedite process for bringing houses up to standards.
- D. Remove slum and blight.
- E. Update Open Space Plan.
- F. Review recreational programs and enhance and implement appropriate changes.
- G. Formalize Historic Preservation Commission.
- H. Reinstitute Improvement awards - Chamber.
- I. Review programs for teens such as hosting teen summit; utilizing the Youth Council; and developing teen centers.
- J. Revitalize Downtown
- K. Develop neighborhood plans.
- L. Identify sources of funds for loans to investors.
- M. Utilize facilities, students and faculty at NC Wesleyan

GOAL 2: Insure that all citizens of Rocky Mount live and work in safe and secure neighborhoods.

Action Plan:

- A. Organize Community Watch.
- B. Implement city wide community policing; implement beat structure and enforce truancy laws.
- C. Establish after-school programs.
- D. Purchase Mobile Police Station.
- E. Establish Citizen Police Academy.
- F. Explore different policing techniques.
- G. Develop more aggressive crime prevention program.
- H. Review street lights policy; research type of lights; and utilize brighter lights.
- I. Discourage non-conforming commercial uses.
- J. Remove drug, alcohol and crack houses.
- K. Educate and empower neighborhoods.
- L. Adopt Fire Code.

GOAL 3: Encourage the preservation, restoration, and revitalization of all neighborhoods.

Action Plan:

- A. Identify economic incentive; seek grant funds; and Utilize CDBG funds on distressed neighborhoods.
- B. Seek technical assistance funds to assist owners.
- C. Educate public on value of preservation.
- D. Encourage home ownership.
- E. Develop neighborhood plans.
- F. Consider impact of future development.
- G. Review existing public facilities and enhance as appropriate.
- H. Emphasize history and notable personality of Rocky Mount.
- I. Encourage community involvement.
- J. Encourage new development in existing neighborhoods.
- K. Encourage sidewalks in new developments.

CIP Summary - Introduction

In March 2007, staff presented the Proposed 2008-2012 Capital Improvement Program (CIP) to City Council for their review and approval. As mentioned in the Budget Development section, the CIP serves as the City's planning guide for decision making and resource allocation on major durable infrastructure and equipment projects. These projects typically involve expenditures of more than \$50,000 with a "useful life" of more than three years.

The CIP provides projections on project expenditures and necessary revenues on an annual basis, starting with FY 2007-2008 and ending at FY 2011-12. The amounts provided in FY 2007-2008 represent the proposed Capital Budget for consideration as part of the next Annual Operating Budget. Modifications are made in order to comply with resource limitations and other necessary activities. As a result, reductions in appropriations were made to the following projects:

Category	Project	Original CIP Amount for FY 2007-2008	FY 2007-2008 Adopted Appropriation	Impact
General	Field Service Complex	\$95,000	\$25,000	Delay construction
General	Housing Incentives	\$100,000	\$0	Deferred to demolition
General	Happy Hill Redevelopment	\$345,000	\$320,000	Reduction in planning and acquisition
General	Inner City Neighborhood Housing	\$100,000	\$0	Deferred to demolition
Public Safety	Police Vehicle Replacement	\$350,000	\$315,000	Fewer vehicles added
Public Safety	Public Safety Training Facility	\$40,000	\$15,000	Reduce scope of planning
Parks & Recreation	City Lake Improvements	\$50,000	\$0	Delay pole light replacement
Electric	Distribution System Improvements	\$200,000	\$150,000	Reduced scope of work
Electric	Utility GIS & Dispatching System	\$100,000	\$65,000	Extend project
Electric	Transmission Pole Replacement	\$150,000	\$125,000	Reduce scope of work
Electric	Sectionalizing Plan – Electric	\$100,000	\$75,000	Reduce scope of work

In addition, appropriations for some projects are made above the level proposed in the original CIP.

Category	Project	Original CIP Amount for FY 2007-2008	FY 2007-2008 Adopted Appropriation	Reason
General	Crossing @ 64	\$300,000	\$350,000	Project needs
Parks & Recreation	Veterans' Memorial @ Jack Laughery Park	\$350,000	\$525,000	Increased construction costs
Public Works	Transfer Station Refurbishing	\$0	\$375,000	FY 06-07 project delayed to FY 07-08
Public Works	Salt Bin Improvements	\$0	\$150,000	FY 06-07 project delayed to FY 07-08

CIP Summary - Introduction

The CIP summary reports that follow represent the funding for these projects as amended to reflect to FY 2007-2008 Adopted Budget. Several projects listed in the CIP are appropriated as multi-year project ordinances through funds that are not part of the annual operating budget process. As indicated below, the Adopted Budget includes funding for the general government obligation to some of these projects, appropriated as fund transfers.

Category	Project	Total Project Amount for FY 2007-2008	FY 2007-2008 Adopted Appropriation	Description
General	Happy Hill Redevelopment	\$320,000	\$100,000	Transfer from General Fund for planning and acquisition
Downtown	Douglas Block Improvements	\$2,540,000	\$70,000	Transfer from General Capital Fund for planning and Section 108 Loan repayment
Downtown	Downtown Enhancements SAFETEA Project	\$591,000	\$163,000	Transfers from General Capital and Powell Bill Funds for planning

CIP Summary - General Capital

	2007-08 BUDGET	2008-12 PLAN TOTAL	PRIOR YEAR COST	OPERATING IMPACT
FUNDING SOURCES:				
Grants	\$3,451,200	\$13,223,900	\$2,136,755	
Capital Reserves	\$100,000	\$500,000	\$500,000	
Debt Proceeds	\$2,868,000	\$12,216,000	\$1,564,100	
General Fund Contribution	\$2,703,800	\$12,632,100	\$2,092,711	
Enterprise Fund Contribution	\$0	\$0	\$0	
TOTAL	\$9,123,000	\$38,572,000	\$6,293,566	

PROJECT DESCRIPTIONS:

GENERAL

Field Service Complex Improvements	\$95,000	\$195,000	\$15,000	\$0
<i>Expansion of parking areas for privately owned vehicles of City employees.</i>				
Braswell Library Debt Payments	\$672,000	\$1,948,000	\$694,100	\$0
<i>Repayment of construction loans for Braswell Memorial Library. Facility jointly funded by City of Rocky Mount, Nash County, and Edgecombe County. City is reimbursed from Nash and Edgecombe Counties for their share of debt payments, which continue until FY 2009-2010.</i>				
Crossing at 64 Project	\$300,000	\$300,000	\$0	\$0
<i>Loan from City to Rocky Mount Edgecombe Community Development Corporation (RMECDC) for assisting with development of the Crossing at 64 retail center.</i>				
Train Station Cooling Tower	\$80,000	\$80,000	\$0	\$0
<i>Immediate replacement of main operating tank, valving, and piping of the cooling tower at the train station building due to heavy corrosion.</i>				
City Hall/HVAC (Chiller) Replacement	\$0	\$150,000	\$0	\$0
<i>Systematic replacement of two 180-ton chillers that service City Hall's HVAC system. Project includes upgrade of HVAC equipment room to meet building code requirements.</i>				
City Hall Reroof	\$0	\$240,000	\$0	\$0
<i>Complete renovation of roof systems for both the Administrative Complex and Police Department.</i>				
Opportunities Indust. Center (OIC) Building Repairs	\$0	\$0	\$20,000	\$0
<i>Ongoing repair of OIC (Booker T. Washington High School) due to age and lack of comprehensive renovation.</i>				
Housing Incentives	\$100,000	\$650,000	\$175,000	\$0
<i>Funds intended to induce investment in housing in inner-city neighborhoods by non-profit agencies.</i>				
BTW High School Redevelopment	\$50,000	\$2,050,000	\$0	\$0
<i>Comprehensive renovation of Booker T. Washington High School. Following project completion, property will be given to OIC, eliminating City's long term maintenance responsibility.</i>				
Happy Hill Redevelopment	\$345,000	\$445,000	\$0	\$0
<i>Implementation of the redevelopment of the Happy Hill neighborhood.</i>				
Inner City Neighborhood Housing	\$100,000	\$650,000	\$36,500	\$0
<i>Funds provided to leverage investment for affordable housing in inner-city neighborhoods, resulting in increased valuations and greater community stability.</i>				
Parking Lots	\$0	\$330,000	\$0	\$0
<i>Acquisition and resurfacing of Western Avenue parking lot, which has been leased by the City for more than 50 years and is in need of improvement.</i>				

CIP Summary - General Capital

	2007-08 BUDGET	2008-12 PLAN TOTAL	PRIOR YEAR COST	OPERATING IMPACT
Planning and Development Renovation	\$0	\$50,000	\$0	\$0
<i>Expansion and renovation of Inspection Services area to provide customer service work areas for staff most involved with the general public, along with expansion of the Planning/Community Development administrative area.</i>				
Sub-total, General	\$1,742,000	\$7,088,000	\$940,600	\$0
TRANSIT				
Transit Vehicle Acquisition (Tar River Transit Vans)	\$210,000	\$1,050,000	\$210,000	\$0
<i>Annual staggered replacement of TRT's rural transportation van fleet.</i>				
Transit Benches and Shelters	\$36,000	\$36,000	\$22,000	\$0
<i>Installation of benches and shelters at locations of high transit activity.</i>				
Transit Bus Major Maintenance Items	\$273,000	\$1,440,000	\$265,000	\$0
<i>Preventative maintenance costs associated with provision of public transportation services, including routine vehicle maintenance and facility maintenance.</i>				
Transit Shuttle Bus Procurement	\$0	\$25,000	\$120,950	\$0
<i>Routine, staggered replacement of revenue-route shuttle buses.</i>				
Transit - Resurface Coastline Street	\$0	\$0	\$39,500	\$0
<i>Resurfacing of Coastline Street, which is the entrance and exit of the TRT main facility.</i>				
Transit Service Vehicle	\$0	\$72,000	\$0	\$0
<i>Purchase of service vehicle (FY 2010-11), to be equipped in a manner to allow maintenance personnel to correct minor road calls on scene, eliminating potential transit service interruption.</i>				
Bus Purchase Loan Repayment	\$23,000	\$23,000	\$191,316	\$0
<i>Repayment of DOT loan for the local match required to purchase seven Orion buses.</i>				
Transit Vehicle Wash	\$0	\$313,000	\$0	\$0
<i>Purchase of automated drive-thru vehicle wash for buses (FY 2010-11).</i>				
Transit Lift	\$0	\$0	\$40,000	\$0
<i>Purchase of portable lift to service transit vehicles.</i>				
Bus Storage Facility	\$0	\$375,000	\$0	\$0
<i>Construction of metal frame storage building (FY 2008-09) with two enclosed bays for repair and storage of seven 30-foot buses and two smaller (cutaway) transit vehicles.</i>				
Sub-total, Transit	\$542,000	\$3,334,000	\$888,766	\$0
DOWNTOWN				
Downtown Bicycle and Pedestrian Walkway	\$0	\$500,000	\$0	\$0
<i>Construction of a downtown bicycle and pedestrian walkway (FY 2009-10) funded by NCDOT in conjunction with other projects identified during the Traffic Separation Study (TSS).</i>				
Douglas Block Redevelopment	\$2,540,000	\$4,178,000	\$187,000	\$0
<i>Implementation of the redevelopment of the Douglas Block area in Downtown Rocky Mount as mixed-use area.</i>				

CIP Summary - General Capital

	2007-08 BUDGET	2008-12 PLAN TOTAL	PRIOR YEAR COST	OPERATING IMPACT
Downtown Enhancements SAFETEA Project <i>Improvement of Downtown Rocky Mount, including implementation of a streetscape redesign.</i>	\$591,000	\$5,609,000	\$224,000	\$0
Sub-total, Downtown	\$3,131,000	\$10,287,000	\$411,000	\$0
Sub-total, General, Downtown, & Transit	\$5,415,000	\$20,709,000	\$2,240,366	\$0

PUBLIC SAFETY

Police Vehicle Replacement <i>Annual, staggered replacement of patrol vehicles.</i>	\$350,000	\$1,934,000	\$345,100	\$0
Police Department Building Improvements <i>Large scale renovation of facilities and addition of security card access system. Design scheduled for FY 2011-12.</i>	\$0	\$50,000	\$0	\$0
Equipment Replacement - Fire <i>Staggered replacement of major firefighting equipment. FY 2007-08 funding covers replacement of active-fleet 1992 Pumper. Replaced Pumper will be transferred to stand-by fleet, allowing for retirement of 1983 Open Cab Pumper not in NFPA compliance.</i>	\$440,000	\$2,580,000	\$350,000	\$0
Headquarters Fire Station Improvements <i>Replacement of roof (FY 2010-11) and design and construction (Future) of classroom and storage space and office renovation.</i>	\$0	\$100,000	\$0	\$2,000
Repairs/Construction - Fire Station 6 <i>Renovation and mold remediation, enabling reutilization. Facility reopened spring 2007.</i>	\$0	\$0	\$200,000	\$0
Fire Department Administrative Offices <i>Complete renovation of rear portion of Life Safety Emergency Management Complex (FY 2010-11) and relocation of Fire Chief, Assistant Fire Chief, and Administrative Secretary to same facility.</i>	\$0	\$200,000	\$0	\$0
Public Safety Training Facility <i>Determine feasibility of current COG Facility for reutilization as combined public safety training facility.</i>	\$40,000	\$380,000	\$0	\$25,000
Fire Station Location <i>Construction of additional fire station (FY 2008-09) to serve and reduce response time on western side of Rocky Mount.</i>	\$0	\$1,510,000	\$0	\$751,000
Sub-total, Public Safety	\$830,000	\$6,754,000	\$895,100	\$778,000

PARKS AND RECREATION

Imperial Centre for Arts and Sciences <i>Provide funding to establish operating reserves for the Imperial Centre.</i>	\$100,000	\$525,000	\$100,000	\$1,100,000
Rocky Mount Sports Complex <i>Continue development of complex, opened fall 2006. Phase II includes construction of soccer/football fields and other amenities</i>	\$250,000	\$550,000	\$550,000	\$250,000
Sunset Park Improvements <i>Continue improvements to Sunset Park by restoring tennis courts (FY 2010-11).</i>	\$0	\$320,000	\$0	\$0
City Lake Improvements <i>Replace pole lights around lake and fountain.</i>	\$50,000	\$100,000	\$0	\$0
Restroom Facilities for Parks <i>Construction restroom facilities at City Lake Park (FY 2009-10).</i>	\$0	\$60,000	\$0	\$0
BBQ Park <i>Develop new BBQ Park in conjunction with Nash County.</i>	\$0	\$100,000	\$50,000	\$0

CIP Summary - General Capital

	2007-08 BUDGET	2008-12 PLAN TOTAL	PRIOR YEAR COST	OPERATING IMPACT
Gymnasiums and / or Community Centers <i>Maintain City-owned recreation facilities. FY 2007-08 funding for replacement of roof at RM Wilson Gymnasium.</i>	\$150,000	\$250,000	\$120,000	\$0
Park Improvements <i>Improve City-owned park facilities. FY 2007-08 funding for development of new Battleboro Park.</i>	\$150,000	\$400,000	\$175,000	\$0
Senior Center <i>Continue development of Senior Center, opened May 31, 2006.</i>	\$50,000	\$150,000	\$40,000	\$275,000
Senior Center - Building Payments <i>Fund purchase of Senior Center from YMCA on annual basis until FY 2011-12. Half of payments funded with occupancy tax revenue.</i>	\$200,000	\$1,000,000	\$700,000	\$0
Cemetery Improvements <i>Facility improvements at Pineview, Northeastern, and Battleboro Cemeteries, including ditch improvements (FY 2008-09).</i>	\$0	\$60,000	\$25,000	\$0
Sports Complex Equipment <i>Purchase equipment for new Sports Complex.</i>	\$0	\$0	\$84,000	\$0
Vehicle Replacement - Parks <i>Ongoing replacement of capital equipment for Parks and Recreation (Backhoe, FY 2008-09).</i>	\$0	\$55,000	\$0	\$0
Building Demolition <i>Demolition of old Playhouse Theatre (FY 2010-11).</i>	\$0	\$80,000	\$0	\$0
Veterans' Memorial @ J.Laughery Park <i>Construction of Rocky Mount Veterans Memorial, to be funded from public contributions.</i>	\$350,000	\$350,000	\$50,000	\$0
Sub-total, Parks and Recreation	\$1,300,000	\$4,000,000	\$1,894,000	\$1,625,000

PUBLIC WORKS

Equipment Replacement - Streets <i>Scheduled replacement of capital equipment for streets and right-of-way division.</i>	\$388,000	\$1,751,000	\$260,000	\$0
Equipment Replacement - Environ. Services <i>Scheduled replacement of capital equipment for environmental services division.</i>	\$700,000	\$4,025,000	\$429,100	\$0
Reroof of Fleet Maintenance Building <i>Replacement of roof at Fleet Maintenance Building (FY 2009-10).</i>	\$0	\$145,000	\$0	\$0
Transfer Station Refurbishing <i>Replacement of "wear slab" floor at waste transfer station.</i>	\$0	\$0	\$375,000	\$0
Environ. Services Area Improvements <i>Paving and additional parking areas at Environmental Services Building (FY 2010-11).</i>	\$0	\$140,000	\$0	\$0
Fleet Maintenance Facility Improvements <i>Repair and replace ramps and driveway to wash bays (FY 2008-09).</i>	\$0	\$63,000	\$0	\$0
Fleet Maintenance Interior Improvements <i>Upgrades of administrative, break room, and restroom areas.</i>	\$0	\$0	\$50,000	\$0
Fleet Maintenance Building Addition <i>Addition of 1,200 square feet of enclosed space at tire area and inclusion of covered parking area for three service vehicles (FY 2009-10).</i>	\$0	\$110,000	\$0	\$0
Compost Sites <i>Establish new compost site in Edgecombe County to compliment current site near Nash Community College and reduce travel time and fuel costs.</i>	\$0	\$200,000	\$0	\$0
New Fuel Pumps for City Fueling Site <i>Replace obsolete fuel pumps (FY 2008-09).</i>	\$0	\$90,000	\$0	\$0

CIP Summary - General Capital

	2007-08 BUDGET	2008-12 PLAN TOTAL	PRIOR YEAR COST	OPERATING IMPACT
Annexation Capital Equipment Env. Services <i>Purchase capital equipment required to establish new route necessitated by annexation.</i>	\$405,000	\$405,000	\$0	\$0
Annexation Misc. Equipment and Supplies <i>Purchase capital equipment required to provide additional environmental services necessitated by annexation.</i>	\$50,000	\$50,000	\$0	\$0
Annexation Displacement of Private Haulers <i>Provide funds to private haulers as required by law to compensate loss of customers due to annexation.</i>	\$0	\$95,000	\$0	\$0
Annexation Capital Equipment Community Code <i>Purchase capital equipment required to provide additional inspection services necessitated by annexation.</i>	\$35,000	\$35,000	\$0	\$0
Salt Bin Improvements <i>Construct covering for salt storage area.</i>	\$0	\$0	\$150,000	\$0
Sub-total, Public Works	\$1,578,000	\$7,109,000	\$1,264,100	\$0
TOTAL	\$9,123,000	\$38,572,000	\$6,293,566	\$2,403,000

CIP Summary - Powell Bill

	2007-08 BUDGET	2008-12 PLAN TOTAL	PRIOR YEAR COST	OPERATING IMPACT
FUNDING SOURCES:				
Grants	\$2,131,000	\$12,162,000	\$2,631,400	
Capital Reserves	\$0	\$0	\$275,000	
Debt Proceeds	\$0	\$0	\$0	
General Fund Contribution	\$0	\$0	\$0	
Fund Contribution	\$0	\$0	\$0	
	\$2,131,000	\$12,162,000	\$2,906,400	
PROJECT DESCRIPTIONS:				
Special Studies	\$0	\$0	\$126,400	\$0
<i>Studies related to City-maintained infrastructure.</i>				
Engineering Equipment Replacement	\$0	\$80,000	\$0	\$0
<i>Purchase of second bucket truck (FY 2008-09) required for anticipated additional signal maintenance staff.</i>				
<u>Local Street Improvements</u>				
Resurfacing Program	\$750,000	\$4,250,000	\$750,000	\$0
<i>Annual rehabilitation and resurfacing of City-maintained streets.</i>				
Street Reconstruction Program	\$0	\$235,000	\$0	\$0
<i>Reconstruction of streets (FY 2008-09 and FY 2011-12) in poor condition needing repairs exceeding capacity of annual resurfacing.</i>				
<u>Collector Street Extension Program</u>				
Rosewood Avenue Extension	\$0	\$95,000	\$0	\$0
<i>Extension of Rosewood Avenue to Springfield Road (FY 2011-12).</i>				
<u>NCDOT Roadway Projects</u>				
Congestion Mgmt. Air Quality Improvement	\$256,000	\$1,012,000	\$0	\$0
<i>Utilization of grant funding, due to the City's designation as a non attainment area for air quality, to project that reduce air pollution, including construction of sidewalks and intersection improvements.</i>				
Southern Connector	\$100,000	\$200,000	\$0	\$0
<i>Funds utility relocation, right-of-way, and sidewalk construction associated with NCDOT widening of Kingston Avenue and Sutton Road.</i>				
NCDOT Project Enhancement Match	\$0	\$314,000	\$36,400	\$0
<i>City matching funds for roadway projects constructed in the City by NCDOT (FY 2009-10 to FY 2011-12).</i>				
Fountain School Road	\$0	\$0	\$600,000	\$0
<i>Realignment of Fountain School Road (SR 1402) north of Fountain Correctional Center for Women onto Fountain Park Drive. NCDOT will reimburse City for cost of construction.</i>				
Additional I-95 Interchange	\$0	\$200,000	\$0	\$0
<i>City match of NCDOT construction of new I-95 interchange at Sunset Avenue (FY 2010-11).</i>				
<u>Traffic Control</u>				
Neighborhood Traffic Management Program	\$0	\$50,000	\$0	\$0
<i>Installation of traffic calming devices (FY 2008-09).</i>				
Pavement Marking Program	\$35,000	\$175,000	\$33,000	\$0
<i>Replacement of pavement markings on resurfaced streets and remarking due to wear.</i>				

CIP Summary - Powell Bill

	2007-08 BUDGET	2008-12 PLAN TOTAL	PRIOR YEAR COST	OPERATING IMPACT
Intersection Spot Safety Improvements	\$0	\$100,000	\$100,000	\$0
<i>Construction of spot safety improvements identified by City (next scheduled for FY 2008-09).</i>				
Signal System Improvements	\$0	\$0	\$50,000	\$0
<i>Further enhancement of signal system operations.</i>				
Regulatory Sign Replacement Program	\$0	\$0	\$50,000	\$0
<i>Replacement of regulatory street signs.</i>				
<u>Railroad Crossing Projects</u>				
Railroad Crossing Safety Projects	\$0	\$0	\$12,000	\$0
<i>City share of rail crossing improvements performed by NCDOT through Municipal Agreements.</i>				
Traffic Separation Mitigation Projects	\$175,000	\$930,000	\$150,000	\$0
<i>City share of rail crossing closures (improvements specifically on the Nash County Railroad line).</i>				
<u>Sidewalks and Greenways</u>				
Sidewalk Repair	\$75,000	\$475,000	\$100,000	\$0
<i>Ongoing repair of damaged sidewalks.</i>				
New Sidewalk Construction	\$0	\$300,000	\$175,000	\$0
<i>Construction of new sidewalks based on Revised Sidewalk Priority List approved by City Council (next scheduled for FY 2010-11).</i>				
<u>Fund Reimbursements</u>				
Downtown SAFETEA Grant Match	\$140,000	\$1,026,000	\$0	\$0
<i>City share of Downtown Enhancement project funded with SAFETEA appropriations.</i>				
General Fund Reimbursement	\$300,000	\$1,400,000	\$450,000	\$0
<i>Reimbursement of eligible activities performed by Streets and Right-of-Way division (General Fund).</i>				
Stormwater Utility Capital Reimbursement	\$300,000	\$1,400,000	\$400,000	\$0
<i>Reimbursement of eligible activities performed by Stormwater Operations (Stormwater Management Fund).</i>				
TOTAL PROJECTS	\$2,131,000	\$12,162,000	\$2,906,400	\$0

CIP Summary - Public Utilities - Electric

	2007-08 BUDGET	2008-12 PLAN TOTAL	PRIOR YEAR COST	OPERATING IMPACT
FUNDING SOURCES:				
Grants	\$0	\$0	\$914,400	
Capital Reserves	\$0	\$1,856,000	\$0	
Debt Proceeds	\$1,111,000	\$8,348,000	\$1,194,200	
General Fund Contribution	\$0	\$0	\$112,000	
Electric Fund Contribution	\$1,525,000	\$5,825,000	\$1,543,300	
TOTAL FUNDING	\$2,636,000	\$16,029,000	\$3,763,900	
PROJECT DESCRIPTIONS:				
Equipment Replacement - Electric	\$425,000	\$1,965,000	\$267,950	\$0
<i>Ongoing, staggered replacement of capital equipment. FY 2007-08 funds for 40' and 60' Bucket Trucks and Excavation Tamper.</i>				
Radio System Improvements	\$150,000	\$750,000	\$150,000	\$0
<i>Systematic replacement of analog radios and radio equipment with digital capable equipment.</i>				
Relocation of Utility Lines - DOT	\$50,000	\$300,000	\$0	\$0
<i>Relocation of electric lines in association with NCDOT road improvements.</i>				
Distribution System Improvements	\$200,000	\$1,200,000	\$397,350	\$0
<i>Improvements to distribution circuits by extending feeders, replacing inadequate systems, and replacing decayed poles.</i>				
Residential Load Management Program	\$100,000	\$500,000	\$50,000	\$0
<i>Funds for purchase of new and replacement load management switches for residential load management program. Switches operated during highest demand to lower coincidental peak and decrease wholesale electricity cost. Savings shared with customer.</i>				
Street Light Improvement	\$100,000	\$500,000	\$800,000	\$25,000
<i>Installation of street lights in accordance with NCDOT standards.</i>				
Utility GIS & Dispatching System	\$100,000	\$500,000	\$100,000	\$0
<i>Expansion and maintenance of GIS database of electric and gas facilities.</i>				
Upgrade Point of Delivery Station	\$0	\$0	\$684,000	\$0
<i>Upgrade City's current Electric Point of Delivery Station, where all electric power is received. Current equipment is at end of usable life.</i>				
Construct Second Point of Delivery Station	\$375,000	\$775,000	\$150,000	\$0
<i>Construction of second Electric Point of Delivery Station to accommodate projected load growth.</i>				
Substation # 2 - Rebuild Station	\$686,000	\$686,000	\$50,000	\$0
<i>Rebuild Substation #2 by replacing low side bus structure and associated circuit breakers and relays, along with high voltage structures, insulators, and switches.</i>				
Substation # 9 - Rebuild Station	\$0	\$1,652,000	\$0	\$0
<i>Rebuild Substation #9 by replacing 69kV substation transformer and associated high voltage structures, insulators, low side bus structure, associated circuit breakers, and relays (FY 2009-10).</i>				
Substation # 5 - Rebuild Station	\$0	\$1,856,000	\$0	\$0
<i>Rebuild Substation #5 by replacing 69kV substation transformer and associated high voltage structures, insulators, low side bus structure, associated circuit breakers, and relays (FY 2010-11).</i>				
Substation #1 - Rebuild Station	\$0	\$1,345,000	\$0	\$0
<i>Rebuild Substation #1 by replacing 69kV substation transformer and associated high voltage structures, insulators, and switches (FY 2011-12).</i>				
Substation # 11 - Expand Capacity	\$0	\$0	\$410,200	\$0
<i>Relocate unused substation transformer from Substation #4 to Substation #11 and build necessary low side bus structure and associated circuit breakers and relays.</i>				

CIP Summary - Public Utilities - Electric

	2007-08 BUDGET	2008-12 PLAN TOTAL	PRIOR YEAR COST	OPERATING IMPACT
Substation # 12 - Refurbish Transformer <i>Repair of substation transformer at Substation #12. Costs reimbursed by insurance (minus deductible).</i>	\$0	\$0	\$254,400	\$0
Central Dispatch Center <i>Expansion and renovation of Electric and Gas Operations Building to provide a 24-hour central dispatch and storm operations center.</i>	\$0	\$700,000	\$0	\$168,000
Transmission Pole Replacement <i>Provide replacement of wooden transmission line poles and insulator.</i>	\$150,000	\$1,100,000	\$150,000	\$0
Sectionalizing Plan - Electric <i>Purchase and installation of additional system protection and sectionalizing devices.</i>	\$100,000	\$100,000	\$0	\$0
Long Range Plan - Electric <i>Funding for a long range planning study of the City's electric system and the update of the distribution system model.</i>	\$50,000	\$50,000	\$0	\$0
Automated Meter Reading -Electric <i>Purchase and installation of automated meter readers (AMRs) for electric, gas, and water/sewer. Project includes escalated purchases (starting FY 2010-11) over a three-year period to complete City-wide transition.</i>	\$150,000	\$2,050,000	\$150,000	\$0
Equipment Shed - Electric <i>Construction of equipment shed at pole yard to store large construction equipment.</i>	\$0	\$0	\$100,000	\$0
Transformer Shop Addition <i>Construction of additional work bay at the transformer shop located at the pole yard.</i>	\$0	\$0	\$50,000	\$0
TOTAL PROJECTS	\$2,636,000	\$16,029,000	\$3,763,900	\$193,000

CIP Summary - Public Utilities - Gas

	2007-08 BUDGET	2008-12 PLAN TOTAL	PRIOR YEAR COST	OPERATING IMPACT
FUNDING SOURCES:				
Grants	\$0	\$0	\$0	
Capital Reserves	\$0	\$0	\$0	
Debt	\$205,000	\$2,605,000	\$185,000	
General Fund Contribution	\$0	\$0	\$0	
Gas Fund Contribution	\$1,030,000	\$4,470,000	\$850,000	
TOTAL FUNDING	\$1,235,000	\$7,075,000	\$1,035,000	
PROJECT DESCRIPTIONS:				
Equipment Replacement - Gas <i>Ongoing, staggered replacement and addition of capital equipment.</i>	\$205,000	\$395,000	\$185,000	\$0
New Gas Main <i>Installation of new gas mains to serve new customers.</i>	\$300,000	\$1,300,000	\$300,000	\$0
Replace Gas Main <i>Replacement of gas mains that are at the end of their useful life and subject to increasing leakage.</i>	\$250,000	\$1,250,000	\$200,000	\$0
New Gas Services <i>Installation of gas service lines from new and existing mains for new customers.</i>	\$150,000	\$750,000	\$150,000	\$0
Gas System Expansion <i>Expansion of gas distribution system into areas of planned development.</i>	\$100,000	\$500,000	\$100,000	\$0
Automated Meter Reading - Gas <i>Purchase and installation of automated meter readers (AMRs) for electric, gas, and water/sewer. Project includes escalated purchases (starting FY 2010-11) over a three-year period to complete City-wide transition.</i>	\$100,000	\$2,700,000	\$100,000	\$0
Peak Shaving Facility <i>Planning (FY 2011-12) and construction of natural gas peak shaving storage facility to provide localized storage for use during "peak" (coldest) days, thereby offsetting need to increase contract demand.</i>	\$0	\$50,000	\$0	\$10,000
MGP Remediation <i>Remedial investigation of the subsurface area of the City's former manufactured gas plant (MGP) site. This investigation is required by DENR as an initial step in developing and implementing an approved remedial action plan (RAP) to address potential subsurface contamination.</i>	\$130,000	\$130,000	\$0	\$0
TOTAL PROJECTS	\$1,235,000	\$7,075,000	\$1,035,000	\$10,000

CIP Summary - Water Resources - Water

	2007-08 BUDGET	2008-12 PLAN TOTAL	PRIOR YEAR COST	OPERATING IMPACT
FUNDING SOURCES:				
Grants	\$0	\$0	\$50,000	
Capital Reserves	\$0	\$0	\$0	
Debt Proceeds	\$0	\$4,728,000	\$1,390,000	
General Fund Contributions	\$0	\$0	\$0	
Water Fund Contribution	\$922,000	\$4,283,000	\$1,400,000	
TOTAL FUNDING	\$922,000	\$9,011,000	\$2,840,000	
PROJECT DESCRIPTIONS:				
Sunset Water Treatment Plant				
Upgrade Sunset Water Plant Elevator	\$0	\$0	\$150,000	\$0
<i>Repair flood damage and replace controls, safety features, and deteriorating parts on freight elevator.</i>				
Sunset WTP Force Main	\$140,000	\$140,000	\$0	\$0
<i>Installation of force main from Sunset WTP slug dewatering facilities, allowing the discharge of decant water pumps into the gravity system.</i>				
Sunset Pump Projects	\$0	\$50,000	\$0	\$0
<i>Repairs and upgrades to raw water pumps at Sunset WTP (FY 2008-09).</i>				
Reservoir Water Treatment Plant				
Reservoir Plant Electrical Conversion	\$0	\$0	\$747,000	\$0
<i>Conversion of the electric system at the Reservoir WTP from 4160 Volts to 480 Volts. Includes replacement of finished water pumps.</i>				
Dewatering Building Projects	\$130,000	\$130,000	\$0	\$0
<i>Replacement of Trac-Vac drivers, installation of additional storage/thickener tanks, and replacement of press pressure wash pump.</i>				
RWTP Effluent Dechlorination	\$0	\$0	\$100,000	\$0
<i>Install chemical addition facilities to dechlorinate Reservoir WTP effluent, as allowed by new NPDES permit.</i>				
Bulk Chemical Storage Tanks	\$0	\$100,000	\$0	\$0
<i>Replace two 20,000 gallon bulk Ferric Sulfate storage tanks at Reservoir WTP.</i>				
Raw Water Reservoirs/Dams				
Reservoir Water Quality Evaluation	\$50,000	\$350,000	\$0	\$0
<i>Assess current water-quality conditions at Tar River Reservoir and selected tributaries and establish a database documenting changes in water-quality conditions to aid in defending and supporting programs designed to protect and maintain water quality.</i>				
Hydrilla Management	\$50,000	\$250,000	\$100,000	\$0
<i>Funds chemical treatment and use of sterile grass eating carp to control and eradicate presence of Hydrilla (weed) located at the Saponi Creek arm of the Tar River Reservoir.</i>				
Water Mains Extensions & Enhancements				
FY05 Debt Finance Main Extension Program	\$0	\$0	\$1,390,000	\$0
<i>This project represents improvements specified in the 2003 Water System Master Plan, extending water service and fire protection to rapidly-developing areas of the City and its Extra-Territorial Jurisdiction (ETJ).</i>				
Battleboro System Improvements	\$72,000	\$387,000	\$0	\$0
<i>Addressing low pressure and deficient fire flows in Battleboro service area.</i>				
Southeast Water System Improvements	\$0	\$270,000	\$0	\$0
<i>Installation of new water mains to increase pressure and fire flows in Southeast service area.</i>				

CIP Summary - Water Resources - Water

	2007-08 BUDGET	2008-12 PLAN TOTAL	PRIOR YEAR COST	OPERATING IMPACT
Oak Level Main Extensions	\$0	\$350,000	\$0	\$0
<i>Construction of a new 16" trunk line along Oak Level Road, Old Carriage Road, and Old Spring Hope Road to provide an additional feed to Nashville, expand service to developing areas, and improve system deficiencies.</i>				
Annex Area 4B Water Mains	\$0	\$97,000	\$0	\$0
<i>Extension of 6" water mains on Avalon Road and Stillmeadow Lane to provide required fire protections and distribution to Annexation Area 4B.</i>				
Annexation Area 8B Water Mains	\$40,000	\$475,000	\$0	\$0
<i>Extension of 12" water mains on Colley Road and Pridgen Road to serve Annexation Area 8B and extension of 6" main on Porter Road to provide water service and required fire protection.</i>				
Annexation Area 12A Water Mains: Bunn Farm	\$0	\$690,000	\$0	\$0
<i>Extension of 12" water mains in Bunn Farm Subdivision to provide water service and required fire protection to Annexation Area 12A.</i>				
Annexation Area 13 Water Mains	\$0	\$457,000	\$0	\$0
<i>Extension of 12" water main on Peele Road to serve Annexation Area 13 and extend service lines to Toddsberry Road, Muscadine Road, and Ely Road.</i>				
Minor Enhancements and Main Extensions	\$50,000	\$345,000	\$28,000	\$0
<i>Funds small scale enhancements and extensions required for fire protection and water service requests as approved by the City Council through the petition process.</i>				
2" Main Replacement Program	\$100,000	\$575,000	\$100,000	\$0
<i>Improve fire protection and reduce water losses due to leaks by replacing 2" galvanized water mains with 6" mains.</i>				
Oversized Water Main Agreements	\$0	\$200,000	\$0	\$0
<i>Funds to allow City to enter into agreements with developers where the City pays the difference in costs between mains needed for development (and paid for by the developer) and main size desired by the City (oversized).</i>				
Tanks and Pumps Stations				
Water Resources SCADA System	\$0	\$0	\$25,000	\$0
<i>Evaluation, specification, and installation of a supervisory control and data acquisition (SCADA) system.</i>				
Water Tank Maintenance	\$0	\$400,000	\$0	\$0
<i>Repainting of City's overhead water storage tanks.</i>				
Distribution System-Other				
Electronic Meters Installation - Water	\$190,000	\$3,170,000	\$100,000	\$0
<i>Purchase and installation of automated meter readers (AMRs) for electric, gas, and water/sewer. Project includes escalated purchases (starting FY 2010-11) over a three-year period to complete City-wide transition.</i>				
Water Maintenance Services				
Re-line Ductile Iron Pipe Water Lines	\$100,000	\$475,000	\$100,000	\$0
<i>Relining of 60-year-old water lines in Swealton Heights, Rose Street, and Washington Streets, preventing corrosion and discoloration of water.</i>				
Heavy Equipment Storage Building	\$0	\$100,000	\$0	\$0
<i>Construction of second equipment storage building for backhoes and other equipment.</i>				
TOTAL PROJECTS	\$922,000	\$9,011,000	\$2,840,000	\$0

CIP Summary - Water Resources - Sewer

	2007-08 BUDGET	2008-12 PLAN TOTAL	PRIOR YEAR COST	OPERATING IMPACT
FUNDING SOURCES:				
Grants	\$250,000	\$250,000	\$0	
Capital Reserves	\$0	\$0	\$0	
Debt	\$1,035,000	\$8,943,000	\$3,695,000	
General Fund Contribution	\$0	\$0	\$0	
Sewer Fund Contribution	\$901,000	\$5,513,000	\$1,924,000	
TOTAL FUNDING	\$2,186,000	\$14,706,000	\$5,619,000	
PROJECT DESCRIPTIONS:				
Wastewater Treatment Plant				
WWTP Telemetry	\$0	\$120,000	\$0	\$0
<i>Development of an in-house SCADA system (FY 2008-09) allowing monitoring, control, and operating equipment and recording control parameters at WWTP.</i>				
WWTP Road Paving	\$0	\$145,000	\$0	\$0
<i>Repaving of roads within WWTP grounds (FY 2008-09).</i>				
BioSolids Digester Aerators	\$0	\$0	\$3,695,000	\$0
<i>Removal and replacement of digester aerators and mixers.</i>				
Laboratory Expansion	\$0	\$0	\$1,100,000	\$0
<i>Expansion of laboratory space and offices needed to accommodate additional technicians, more types of analyses, and a much larger pretreatment program.</i>				
Replace Internal Recycle Pumps	\$0	\$0	\$72,000	\$0
<i>Replacement of internal sludge pumps located inside treatment tanks with new pumps located outside tank basins, improving access for maintenance and limiting damage caused by corrosion.</i>				
PURPA Additions to WWTP Gen Sets	\$0	\$270,000	\$0	\$0
<i>Meet PURPA requirement for use of generators for situations other than emergencies by establishing the use of waste heat from generators to warm the plant process water, making water more conducive to greater biological activity in the aeration basins (FY 2010-11).</i>				
Resealing Aeration Basins	\$0	\$295,000	\$0	\$0
<i>Multi-year project (starts FY 2008-09) involving the cleaning and re-sealing of aeration basins.</i>				
Oxygen Plant Thermal Swing Drier	\$0	\$900,000	\$0	\$0
<i>Purchase and installation of a non-mechanical drier for Oxygen Plant (FY 2011-12).</i>				
Oxygen Plant Main Air Compressor	\$0	\$200,000	\$0	\$0
<i>Purchase, installation, and activation of spare air compressor at Oxygen Plant (FY 2010-11).</i>				
Collection System Extension Program				
Grape Branch Sewer	\$0	\$180,000	\$0	\$0
<i>Extension of Grape Branch 12" (gravity) line for approximately 2,200' from end of existing line to Beechwood Drive (FY 2011-12).</i>				
Jeffreys Court Sewer Main	\$0	\$227,000	\$0	\$0
<i>Extension of gravity line along Jeffreys Court to serve Jeffreys Court, Gold Rock Road, and Benvenue Road (FY 2009-10).</i>				
Maple Creek Outfall Extension	\$1,285,000	\$4,702,000	\$0	\$0
<i>Extension of Maple Creek Outfall approximately 40,000' along Maple Creek, Bent Creek, and an additional tributary from Warrington Court to Old Spring Hope Road. Serves Old Mill Steam Subdivision (Halifax Road) and developments west of I-95.</i>				

CIP Summary - Water Resources - Sewer

	2007-08 BUDGET	2008-12 PLAN TOTAL	PRIOR YEAR COST	OPERATING IMPACT
Compass Creek Outfall-AA 4B	\$200,000	\$1,673,000	\$0	\$0
<i>Extension of Compass Creek Outfall from Tar River interceptor to Moores Pump Station (Wesleyan Boulevard) to provide sewer service to Annexation Area 4B and remove Moores Pump Station flow from downstream lift stations.</i>				
Cokey Rd/Glendale Dr Sewer-AA 7B	\$0	\$155,000	\$0	\$0
<i>Establish 8" collection system along Glendale Drive and Cokey Road to service Annexation Area 7B (FY 2008-09).</i>				
Cooley Rd/S. Wesleyan Sewer- AA 8B	\$88,000	\$645,000	\$0	\$0
<i>Construct 12" collection system along Cooley Road and South Wesleyan Boulevard to serve Annexation Area 8B.</i>				
Bell Aire Estates Sewer, AA 8A	\$0	\$50,000	\$0	\$0
<i>Purchase 3,200' of existing 8" lines in Belle Aire Estates from Nash County to serve Annexation Area 8A.</i>				
Hornbeam Branch Outfall-AA 13	\$0	\$191,000	\$0	\$0
<i>Extend 18" outfall line along Hornbeam Branch from Oaks Trail Road, across Peele Road, to Muscadine Road to serve Annexation Area 13 (FY 2008-09).</i>				
College Road Collection- Petition from Annexation Area 4A	\$0	\$267,000	\$0	\$0
<i>Establish collection system for proposed pump station within Annexation Area 4A (FY 2010-11).</i>				
Minor Line Extensions	\$50,000	\$220,000	\$80,000	\$0
<i>Small scale system enhancements and main extensions as approved by City Council through the petition process.</i>				
Oversized Sewer Main Agreements	\$125,000	\$295,000	\$167,000	\$0
<i>Funds to allow City to enter into agreements with developers where the City pays the difference in costs between mains needed for development (and paid for by the developer) and main size desired by the City (oversized).</i>				
Pump Station and Force Main Construction				
Gold Rock Lift Station Rehab	\$0	\$70,000	\$0	\$0
<i>Rehabilitation and upgrade of lift station on NC 4 in Gold Rock to meet continued development of Whitaker Business and Industry Center.</i>				
Fenner Road Pump Station Removal/Upgrade	\$0	\$405,000	\$0	\$0
<i>Removal or upgrade of Fenner Road Pump Station (FY 2008-09), as warranted in response to activity on Compass Creek Outfall project and associated feasibility study.</i>				
Cokey Rd PS/FM: Annex Area 7B	\$0	\$412,000	\$0	\$0
<i>Construct new pump station near intersection of Cokey Road and South Glendale Avenue to accept flows from Annexation Area 7B (FY 2008-09). This is a companion project to the collection system project for the same area.</i>				
Cooley Rd PS/FM- Annex Areas 8B	\$48,000	\$411,000	\$0	\$0
<i>Construct new pump station and force main east of South Wesleyan Boulevard between Cooley Road and Raleigh Road to accept flows from Annexation Area 8B. This is a companion project to the collection system project for the same area.</i>				
Pump Station Equipment				
Sewer Lift Station Generators	\$55,000	\$233,000	\$45,000	\$2,000
<i>Installation of natural gas powered generators at lift stations to provide power for pump operation during electrical power failure.</i>				
Lift Station SCADA Project	\$ 60,000	\$160,000	\$0	\$0
<i>Evaluation, specification, and installation of SCADA system for sanitary sewer lift stations.</i>				
Collection System-Other				
Electronic Meters Installation - Sewer	\$0	\$0	\$90,000	\$0
<i>Purchase and installation of automated meter readers (AMRs) for electric, gas, and water/sewer.</i>				

CIP Summary - Water Resources - Sewer

	2007-08 BUDGET	2008-12 PLAN TOTAL	PRIOR YEAR COST	OPERATING IMPACT
Sewer Maintenance Services				
Sewer Rehabilitation Program	\$150,000	\$750,000	\$150,000	\$0
<i>Continue infiltration/inflow reduction program through renovation and repairs to old sewer system in order to reduce groundwater infiltration and stormwater inflow.</i>				
Equipment Replacement - Sewer	\$0	\$865,000	\$145,000	\$0
<i>Ongoing, staggered replacement of capital equipment.</i>				
Equipment Storage Sheds	\$0	\$90,000	\$0	\$0
<i>Construct storage area for capital equipment at WWTP.</i>				
Manhole Rehabilitation Program - Sewer	\$75,000	\$375,000	\$75,000	\$0
<i>Rehabilitation of deteriorated brick manholes and raising of manholes to above 100-year flood line.</i>				
Technical Services				
Water Quality Evaluation	\$50,000	\$350,000	\$0	\$0
<i>Assess current water-quality conditions at Tar River Reservoir and selected tributaries and establish a database documenting changes in water-quality conditions to aid in defending and supporting programs designed to protect and maintain water quality.</i>				
Total Organic Carbon Analyzer	\$0	\$50,000	\$0	\$0
<i>Replace current Total Organic Carbon Analyzer, needed to determine pretreatment levels.</i>				
TOTAL PROJECTS	\$2,186,000	\$14,706,000	\$5,619,000	\$2,000

CIP Summary - Stormwater Management

	2007-08 BUDGET	2008-12 PLAN TOTAL	PRIOR YEAR COST	OPERATING IMPACT
FUNDING SOURCES:				
Grants	\$100,000	\$100,000	\$0	
Capital Reserves	\$0	\$0	\$60,000	
Debt Proceeds	\$357,000	\$3,253,000	\$240,000	
General Fund Contribution	\$0	\$0	\$0	
Stormwater Fund Contribution	\$575,000	\$1,955,000	\$1,211,000	
TOTAL FUNDING	\$1,032,000	\$5,308,000	\$1,511,000	
PROJECT DESCRIPTIONS:				
Stormwater Maintenance Equipment	\$137,000	\$1,253,000	\$240,000	\$0
<i>Ongoing, staggered replacement addition of capital equipment.</i>				
Stormwater System Inventory	\$0	\$0	\$849,000	\$0
<i>Funding for system inventory work necessary to identify stormwater system needs and priorities.</i>				
Basin Master Planning	\$175,000	\$380,000	\$0	\$0
<i>Systemwide planning designed to build upon inventory project and implement effective project planning and design.</i>				
Fill Mitigation Project - Strawbush Drainage	\$0	\$30,000	\$60,000	\$0
<i>Realignment of drainage at Strawbush (FY 2010-11).</i>				
Major Drainage Improvements	\$150,000	\$1,040,000	\$0	\$0
<i>Fund major structural improvements to drainage system identified through historical complaint records no otherwise programmed through basin master planning.</i>				
Minor Drainage Improvements	\$50,000	\$200,000	\$5,000	\$0
<i>Fund small infrastructure projects and provide reserve funds for unforeseen emergency repairs.</i>				
Long Branch	\$0	\$600,000	\$132,000	\$0
<i>Design and construction (FY 2008-09) of projects recommended in Long Branch Master Plan.</i>				
Crabapple	\$0	\$290,000	\$0	\$0
<i>Design and construction (FY 2011-12) of projects recommended in the Crabapple drainage study.</i>				
Eastern Tar/Gay Branch	\$350,000	\$555,000	\$105,000	\$0
<i>Design and construction of projects recommended in the Eastern Tar/Gay Branch Master Plan.</i>				
Battleboro	\$0	\$50,000	\$0	\$0
<i>Design (FY 2011-12) and construction of projects recommended in the Battleboro Master Plan.</i>				
Hillsdale	\$0	\$165,000	\$0	\$0
<i>Design (FY 2008-09) and construction (FY 2009-10) of projects recommended in the Hillsdale Master Plan.</i>				
Little Raleigh/South George Street	\$0	\$330,000	\$0	\$0
<i>Design (FY 2010-11) and construction (FY 2011-12) of projects recommended in the Little Raleigh/South George Street Master Plan.</i>				
Maple Creek Trib No.2 (Easonburg)	\$0	\$35,000	\$0	\$0
<i>Design (FY 2011-12) and construction of projects recommended in Easonburg Master Plan.</i>				
Maple Creek Trib No. 1 (Kandemor)	\$0	\$50,000	\$0	\$0
<i>Design (FY 2011-12) and construction of projects recommended in Kandemor Master Plan.</i>				
Winders Creek	\$0	\$20,000	\$0	\$0
<i>Design (FY 2011-12) and construction of projects recommended in Winders Creek Master Plan.</i>				
Streets -Stormwater Office Renovation	\$0	\$0	\$65,000	\$0
<i>Design and construction of additional office space to accommodate new supervisors.</i>				

CIP Summary - Stormwater Management

	2007-08 BUDGET	2008-12 PLAN TOTAL	PRIOR YEAR COST	OPERATING IMPACT
Paving Rear Equipment Parking Area <i>Grading and paving or equipment parking area near Streets and Right-of-Way Division.</i>	\$0	\$0	\$35,000	\$0
Springfield Rd Box Culvert Upgrade <i>Design and construction of culvert upgrade for Springfield Road Box Culvert.</i>	\$75,000	\$75,000	\$20,000	\$0
Annexation Stormwater Inventory <i>Upgrade stormwater base mapping to include annexed areas (FY 2008-09).</i>	\$0	\$140,000	\$0	\$0
Annexation Capital Equipment <i>Purchase equipment to furnish additional ditch maintenance crew to cover annexed areas.</i>	\$95,000	\$95,000	\$0	\$2,500
TOTAL PROJECTS	\$1,032,000	\$5,308,000	\$1,511,000	\$2,500

Grant Positions

The City of Rocky Mount is fortunate to have a number of grant funded positions. The Table below identifies these positions and the activity for which or from which funds are received. In addition to these positions, the City received reimbursement from the State Department of Transportation for transportation related activities. These reimbursements offset the salaries, wages and benefits of the eligible employees.

Position	Activity	Number
Transit Administrator	Transit	1
Secretary	Transit	1
Mechanic	Transit	2
Police Officers	School Resources Officers	4
Police Officers	Housing Authority	1
Community Development Administrator	CBDG	1
Community Development Technician	CBDG	1
Housing Rehab Specialist	CBDG	1
Community Development Specialist	CDBG	1
Total		13

Organization Chart

City of Rocky Mount

